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QUARTERLY



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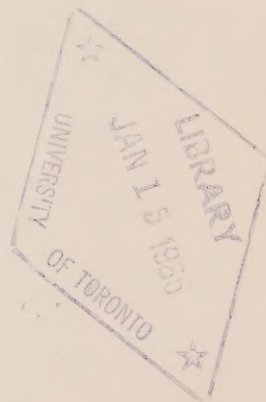
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BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions

FIRST QUARTER 1963

First Issue



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BUSINESS FINANCIAL STATISTICS

BALANCE SHEETS

Selected Financial Institutions

FIRST QUARTER 1963

INTRODUCTION

This is the first issue of a new quarterly publication covering selected financial statistics. This issue contains quarterly balance sheet information for trust companies, mortgage loan companies, sales finance and consumer loan companies. Similar data for other groups of financial institutions and the whole area of non-financial corporations will be added in succeeding issues of this quarterly series as they become available.

The quarterly survey of corporation balance sheets was started in 1961 on the recommendation of an Interdepartmental Committee on Financial Statistics representing several government departments and the Bank of Canada. This Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. The growing importance and complexity of the financial transactions of corporations have been in evidence for some time. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time.

During the next few years the balance sheet data collected in these surveys will fill a major gap in knowledge about this area. Such information will be of substantial value to business firms as well as to government.

The survey covers, or will cover, on a sample basis, all non-financial corporations operating in Canada and financial institutions for which quarterly data are not now available. The cooperation of corporations in this survey has been excellent. However, because of many problems related to obtaining complete lists of the names of corporations, the industrial grouping of these corporations and the inflation of the totals for sample companies into estimates for all corporations, it will be some time before complete results from the survey can be published. In the interim, as stated previously, results for individual industries will be released as the analysis of each is completed.

This publication has been prepared by the Business Finance Division and the Central Research and Development Staff. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

CONTENT OF GROUPS

Trust Companies

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial Acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate trust and agency funds and other financial activities permitted under the Federal and Provincial Trust Company Acts.

The balance sheet data shown for these companies includes both company funds (shareholders equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

Mortgage Loan Companies

This group consists of those companies which raise funds from the public primarily for mortgage lending. It includes all companies incorporated under the Dominion Loan Companies Act, Savings

Certificate Companies and other institutional lenders which fit the above definition. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

Sales Finance and Consumer Loan Companies

In general, these companies make loans mostly to persons, for such purposes as the financing or purchase of consumer goods and services of all types and for the consolidation of debt, etc. Sales finance companies make loans mainly to buyers of goods at retail, but also to a lesser extent to business for the financing of goods at the wholesale level and for a variety of other purposes. Consumer loan companies make cash loans to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies the main table in this report includes both sales finance and consumer loan companies. However, table 4 presents the totals for consumer loan companies not included in consolidated returns of sales finance companies. The companies in this table have about 90 per cent of the receivables of all consumer finance companies.

Sales finance companies which are wholly-owned subsidiaries of merchandising and manu-

facturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies and companies lending to home owners for home improvements. Insofar as possible the companies in this group in the Assets survey are the same as those covered in the DBS publication *Credit Statistics*. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in *Credit Statistics* and in this publication.

DEFINITION OF ITEMS

Noted below are items where special problems of interpretation may exist.

A. Trust Companies and Mortgage Loan Companies

Item 3—Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short term securities such as United States treasury bills.

Item 11—Deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

Item 12—Deposit receipts, guaranteed investment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

Item 20—General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

Item 30—Net payables and retained income

A number of companies do not calculate interest receivable and payable quarterly and are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained, and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

B. Sales Finance and Consumer Loan Companies

Item 2—Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication *Credit Statistics* contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in *Credit Statistics*. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

Item 11—Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from these parent companies. Since these loans are inter-company transactions they are eliminated when consolidated reports are filed. This item would therefore be somewhat larger if non-consolidated reports were received from all companies.

Item 12—Short term loans and notes payable

Demand and short term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either

directly or through investment dealers, to corporations, governments, foreign buyers and persons with short term funds to invest, and are one of the major money-market instruments.

Item 14(a)—**Dealers' credit balance**

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily withholds

part of the purchase price. This item represents the total amount so withheld.

Item 16(a)—**Unearned and deferred income and charges**

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

QUALITY OF THE ESTIMATES

Because of the relatively small number of trust companies, mortgage loan companies, sales finance companies and consumer loan companies, and the full cooperation received from them in our survey, coverage in terms of assets is over 90 per cent for each of these groups. The estimates

for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

OTHER SOURCES OF INFORMATION

In addition to published annual reports for many of the companies, there are the following sources of data.

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual)

Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual)

Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue *Taxation Statistics* (annual)

Bank of Canada *Statistical Summary* (monthly)

Dominion Bureau of Statistics *Credit Statistics* (monthly)

A wealth of information on these companies is also included in briefs filed with the Royal Commission on Banking and Finance by the Trust Companies Association of Canada, the Federated Council of Sales Finance Companies and the Canadian Consumer Loan Association.

A valuable source of background information is *The Financing of Economic Activity in Canada*, a study prepared by Wm. C. Hood for the Royal Commission on Canada's Economic Prospects.

TABLE 1. Trust Companies
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1961				1962				1963
	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q
millions of dollars									
Assets									
1. Cash on hand and on deposit:									
(a) In Canadian dollars:									
(i) Cash and bank deposits	29	31	33	47	28	33	25	44	60
(ii) Cash in other institutions	2	2	2	3	3	2	2	2	2
(b) In foreign currency	1	7	11	4	16	22	8	7	8
3. Investments:									
(a) Investments in Canadian securities:									
(i) Government of Canada treasury bills	10	8	10	9	10	7	10	18	9
(ii) Other Government of Canada debt	253	264	267	277	305	289	292	283	291
(iii) Provincial government debt	115	119	127	131	135	137	131	136	144
(iv) Municipal government debt	69	73	78	82	84	85	83	90	99
(v) Short-term notes of finance and other companies	176	161	169	112	185	145	159	122	190
(vi) Corporation and institution bonds	112	114	118	127	123	136	129	137	144
(vii) Mortgage loans and sales agreements	510	532	585	627	666	730	796	831	891
(viii) Collateral loans	65	72	74	63	65	66	69	82	73
(b) Investments in Canadian preferred and common stocks	46	48	50	53	54	58	60	63	74
(c) Investments in foreign securities	5	6	6	6	6	6	6	6	6
(d) Investments in subsidiary and associated companies	7	6	6	7	7	7	8	9	8
4. Real estate and equipment	21	23	24	26	29	30	30	33	35
5. Other assets	9	10	10	12	10	13	13	13	13
Total assets¹	1,430	1,475	1,569	1,586	1,728	1,765	1,822	1,877	2,046
Liabilities									
11. Deposits and demand certificates	482	490	530	558	622	655	631	656	710
12. Deposit receipts and guaranteed investment certificates	776	802	851	848	905	912	974	1,026	1,100
13. Short-term loans and notes payable:									
(a) Bank loans and overdrafts	9	10	12	9	9	9	10	2	3
(b) Other loans and notes payable	11	18	18	6	18	9	27	5	36
15. Other Liabilities	4	4	3	3	4	4	4	3	4
Net worth									
20. General, investment and special reserves	77	80	80	88	91	94	94	103	106
21. Paid-in capital	56	57	58	59	60	62	62	65	68
30. Net payables and retained income ¹	15	14	18	16	17	20	20	17	20
Total liabilities and net worth¹	1,430	1,475	1,569	1,586	1,728	1,765	1,822	1,877	2,046

¹ Total assets excludes interest, dividends and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

TABLE 2. Mortgage Loan Companies
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1960			1961				1962				1963
	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q
millions of dollars												
Assets												
1. Cash on hand and on deposit:												
(a) In Canadian dollars:												
(i) Cash and bank deposits	15	16	15	12	11	12	14	12	12	13	19	13
(ii) Cash in other institutions	1	1	1	1	1	1	4	4	3	3	5	3
(b) In foreign currency		2				1						
3. Investments:												
(a) Investments in Canadian securities:												
(i) Government of Canada treasury bills		1		1	1	3	6	3		3	2	5
(ii) Other Government of Canada debt	81	81	77	83	84	84	90	102	102	96	98	108
(iii) Provincial government debt	23	25	25	26	26	25	29	32	32	31	31	31
(iv) Municipal government debt	7	7	7	7	6	6	8	9	8	8	8	8
(v) Short-term notes of finance and other companies ..	5	5	9	7	10	9	4	9	5	8	4	22
(vi) Corporation and institution bonds	9	10	10	11	12	14	14	15	15	15	14	14
(vii) Mortgage loans and sales agreements	668	685	715	734	759	792	832	849	891	937	981	1,011
(viii) Collateral loans	11	11	8	12	14	13	10	11	13	21	18	15
(b) Investments in Canadian preferred and common stocks ..	31	31	31	33	33	32	33	33	34	34	35	38
(c) Investments in foreign securities	5	5	5	3	3	3	3	3	4	5	6	6
(d) Investments in subsidiary and associated companies	15	15	21	21	21	21	34	33	34	37	36	40
4. Real estate and equipment	16	16	16	17	17	19	19	21	22	22	24	26
5. Other assets	5	5	5	7	7	7	6	8	8	8	7	10
Total assets ¹	892	917	945	975	1,005	1,041	1,107	1,143	1,183	1,241	1,286	1,349
Liabilities												
1. Deposits and demand certificates	118	128	135	144	148	160	178	194	206	201	204	215
2. Deposits receipts and debentures	616	626	647	663	688	707	740	749	771	815	851	880
3. Short-term loans and notes payable:												
(a) Bank loans and overdrafts	2	2	2	2	2	1	4	4	5	10	13	12
(b) Other loans and notes payable	6	8	7	5	3	6	5	4	6	16	20	24
5. Other liabilities	10	10	11	11	14	15	16	22	22	23	23	30
Net worth												
20. General, investment and special reserves	59	59	61	62	62	62	74	73	75	75	77	79
21. Paid-in capital	47	47	47	48	48	48	52	53	54	55	55	60
30. Net payables and retained income ¹	34	37	35	40	39	41	38	44	44	47	43	49
Total liabilities and net worth ¹	892	917	945	975	1,005	1,041	1,107	1,143	1,183	1,241	1,286	1,349

¹ Total assets excludes interest, dividends and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

TABLE 3. Sales Finance and Consumer Loan Companies
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

Quarterly Statements of Balance Sheet												
	1960			1961				1962				1963
	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q
millions of dollars												
Assets												
1. Cash on hand and on deposit:												
(a) In Canadian dollars:												
(i) Cash and bank deposits	21	26	27	24	20	18	27	14	21	29	22	18
(ii) Cash in other institutions							1	1				1
(b) In foreign currency	2	3	2	1	1	1	1	1		1	1	4
2. Accounts and notes receivable*	2,079	2,034	2,045	2,033	2,065	1,986	2,031	2,095	2,200	2,173	2,343	2,428
3. Other current assets	2	2	3	3	2	2	3	3	3	4	4	4
4. Investments and advances:												
(a) Investments in Canadian securities:												
(i) Short-term notes of finance and other companies	5	10	6	5	9	7	4	5	16	14	16	10
(ii) Government of Canada treasury bills	34	32	27	20	14	17	5	5	18	19	18	20
(iii) Other Government of Canada debt	57	40	37	47	43	36	30	29	16	36	42	34
(iv) Other Canadian bonds and debentures	13	26	28	29	18	23	18	24	17	13	9	26
(v) Other Canadian investments	1	2	2	2	3	4	4	5	6	8	5	6
(b) Investments in Canadian preferred and common stocks				4	4	4	4	4	5	5	9	11
(c) Investments in foreign securities	4	4	8	4	5	11	19	14	28	4	1	
(d) Investments in subsidiary and associated companies	89	96	109	120	131	146	160	160	172	194	187	207
5. Property, plant and equipment	13	12	12	13	13	14	14	15	16	17	15	16
6. Other assets	12	12	13	14	15	13	13	14	14	16	17	17
Total assets	2,333	2,300	2,317	2,320	2,344	2,284	2,334	2,388	2,533	2,532	2,689	2,800
Liabilities												
11. Owing parent and associated companies	345	350	361	360	367	394	413	424	432	414	460	456
12. Short-term loans and notes payable:												
(a) Bank loans and overdrafts	302	253	281	208	213	166	195	168	232	194	206	188
(b) Demand and short-term notes payable (Canadian)	472	462	448	523	526	457	432	478	491	523	535	644
(c) Demand and short-term notes payable (foreign)	55	49	50	37	35	28	26	27	38	38	88	66
(d) Other short-term loans payable	63	53	46	44	40	34	34	32	43	37	42	48
13. Accounts payable:												
(a) Income and other taxes payable	17	19	20	21	17	19	20	22	19	19	18	20
(b) Other payables	22	23	21	19	23	24	22	26	34	29	26	35
14. Other current liabilities:												
(a) Dealers' credit balances	50	49	46	44	46	46	46	41	45	46	44	42
(b) Other current liabilities	3	2	2	2	3	3	2	3	3	4	4	4
15. Long-term debt:												
(a) Debentures, bonds and notes	589	612	618	630	632	656	682	693	704	718	743	769
(b) Mortgages and other long-term debt	3	3	3	3	3	4	4	5	5	5	5	1
16. Other liabilities:												
(a) Unearned income and other deferred credits	138	140	139	134	138	139	137	139	148	155	157	157
(b) Pensions, trust or earmarked funds						1	1		1	1		1
(c) Interest of minority shareholders	1	1	1	1	1	1	1	1	1	1	1	1
Net worth												
20. Paid-in capital	159	161	166	173	179	186	191	197	198	202	221	224
21. Retained income	114	120	113	120	121	128	127	133	139	146	141	146
Total liabilities and net worth	2,333	2,300	2,317	2,320	2,344	2,284	2,334	2,388	2,533	2,532	2,689	2,800
*Footnote:												
(a) Specified receivables: ¹												
Instalment finance companies:												
Consumer goods	844	851	828	784	797	794	756	732	767	776	771	771
Commercial and industrial goods	399	407	393	388	409	405	395	386	415	434	425	423
Wholesale goods	268	160	229	256	223	128	184	230	236	140	237	300
Totals	1,511	1,418	1,450	1,428	1,429	1,327	1,335	1,348	1,418	1,350	1,433	1,494
Consumer loan companies:												
Instalment credit	45	47	45	44	42	38	35	35	39	44	45	44
Cash loans	479	490	504	506	526	534	559	572	596	617	644	658
Totals	524	537	549	550	568	572	594	607	635	661	689	702
(b) Other receivables ²	74	110	77	86	101	123	135	175	184	199	259	270
Total receivables	2,109	2,065	2,076	2,064	2,098	2,022	2,064	2,130	2,237	2,210	2,381	2,466
Deduct allowance for bad debts	- 31	- 31	- 31	- 31	- 33	- 35	- 34	- 35	- 37	- 37	- 38	- 38
Total receivables (net)	2,079	2,034	2,045	2,033	2,065	1,986	2,031	2,095	2,200	2,173	2,343	2,428

¹ Detail of "Specified Receivables" is taken from DBS publication, *Credit Statistics* (Catalogue No. 61-004)

² "Other Receivables" includes inventory financing, capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities, and sampling errors.

TABLE 4. Consumer Loan Companies¹
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1960			1961				1962				1963
	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q
millions of dollars												
Assets												
1. Cash on hand and on deposit:												
(a) In Canadian dollars:												
(i) Cash and bank deposits	4	6	7	6	4	6	6	4	6	7	5	5
(ii) Cash in other institutions												
(b) In foreign currency												
2. Accounts and notes receivable	495	502	510	508	525	529	541	548	573	589	608	615
3. Other current assets							1	1	1	1	1	1
4. Investments and advances:												
(a) Investments in Canadian securities:												
(i) Short-term notes of finance and other companies	3	5	4	5	9	7	4	4	13	10	14	9
(ii) Government of Canada treasury bills												
(iii) Other Government of Canada debt												
(iv) Other Canadian bonds and debentures												
(v) Other Canadian investments												
(b) Investments in Canadian preferred and common stocks...												
(c) Investments in foreign securities												
(d) Investments in subsidiary and associated companies.....												
5. Property, plant and equipment	5	5	5	5	5	5	5	5	5	5	5	5
6. Other assets	1	1	1	1	1	1	1	1		1	1	1
Total assets	507	519	526	525	544	547	557	563	598	612	633	636
Liabilities												
11. Owng parent and associated companies	310	318	333	331	340	355	367	369	375	384	404	400
12. Short-term loans and notes payable:												
(a) Bank loans and overdrafts	74	63	72	55	64	49	49	42	51	49	51	51
(b) Demand and short-term notes payable (Canadian)	30	41	30	39	45	42	39	40	50	49	58	56
(c) Demand and short-term notes payable (foreign)	1	1	1		1	1		1		1	1	1
(d) Other short-term loans payable												
13. Accounts payable:												
(a) Income and other taxes payable	8	8	8	9	7	8	8	10	8	10	9	10
(b) Other payables	3	3	3	3	4	3	3	4	7	7	4	4
14. Other current liabilities:												
(a) Dealers' credit balances	2	2	2	1	2	1	1	1	1	1	1	1
(b) Other current liabilities												
15. Long-term debt:												
(a) Debentures, bonds and notes	4	4	4	7	6	6	7	8	7	8	8	9
(b) Mortgages and other long-term debt												
16. Other liabilities:												
(a) Unearned income and other deferred credits	18	18	18	18	19	19	19	21	23	23	24	24
(b) Pensions, trust or earmarked funds												
(c) Interest of minority shareholders												
Net worth												
20. Paid-in capital	38	38	41	41	41	44	44	45	49	49	52	52
21. Retained income	19	22	13	18	16	20	18	23	25	31	22	27
Total liabilities and net worth	507	519	526	525	544	547	557	563	598	612	633	636

¹ Since some accounts are consolidated in the returns of Sales Finance Companies, figures in this table represent only about 90% of total assets of Consumer Loan Companies.

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The quarterly survey of corporation balance sheets was started in 1961 on the recommendation of an Interdepartmental Committee on Financial Statistics representing several government departments and the Bank of Canada. This Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. The growing importance and complexity of the financial transactions of corporations have been in evidence for some time. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time.

During the next few years the balance sheet data collected in these surveys will fill a major gap in knowledge about this area. Such information will be of substantial value to business firms as well as to government.

The survey covers, or will cover, on a sample basis, all non-financial corporations operating in Canada and financial institutions for which quarterly data are not now available. The cooperation of corporations in this survey has been excellent. However, because of many problems related to obtaining complete lists of the names of corporations, the industrial grouping of these corporations and the inflation of the totals for sample companies into estimates for all corporations, it will be some time before complete results from the survey can be published. In the interim, as stated previously, results for individual industries will be released as the analysis of each is completed.

This publication has been prepared by the Business Finance Division and the Central Research and Development Staff. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

CONTENT OF GROUPS

Trust Companies

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial Acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate, trust and agency funds and other financial activities permitted under the Federal and Provincial Trust Company Acts.

The balance sheet data shown for these companies includes both company funds (shareholders equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

Mortgage Loan Companies

This group consists of those companies which raise funds from the public primarily for mortgage

lending. It includes all companies incorporated under the Dominion Loan Companies Act, Savings Certificate Companies and other institutional lenders which fit the above definition. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail levels. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies the main table in this report includes both sales finance and consumer loan companies. However, table 4 presents the totals for consumer loan companies not included in consolidated returns of sales finance companies. The companies in this table have about 90 per cent of the receivables of all consumer finance companies.

Sales finance companies which are wholly-owned subsidiaries of merchandising and manu-

facturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies and companies lending to home owners for home improvements. Insofar as possible the companies in this group in the Assets survey are the same as those covered in the DBS publication *Credit Statistics*. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in *Credit Statistics* and in this publication.

DEFINITION OF ITEMS

Noted below are items where special problems of interpretation may exist.

A. Trust Companies and Mortgage Loan Companies

Item 3 — Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short term securities such as United States treasury bills.

Item 11 — Deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

Item 12 — Deposit receipts, guaranteed investment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

Item 20 — General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

Item 30 — Net payables and retained income

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained, and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

B. Sales Finance and Consumer Loan Companies

Item 2 — Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication *Credit Statistics* contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in *Credit Statistics*. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

Item 11 — Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from these parent companies. Since these loans are inter-company transactions they are eliminated when consolidated reports are filed. This item would therefore be somewhat larger if non-consolidated reports were received from all companies.

Item 12—Short term loans and notes payable

Demand and short term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either directly or through investment dealers, to corporations, governments, foreign buyers and persons with short term funds to invest, and are one of the major money-market instruments.

Item 14(a)—Dealers' credit balance

When an automobile dealer sells customers' paper to sales finance companies, under most

agreements the dealer is liable for any default and the sales finance company customarily withholds part of the purchase price. This item represents the total amount so withheld.

Item 16(a)—Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

QUALITY OF THE ESTIMATES

Because of the relatively small number of trust companies, mortgage loan companies, sales finance companies and consumer loan companies, and the full cooperation received from them in our survey, coverage in terms of assets is over 90 per cent for each of these groups. The estimates

for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

OTHER SOURCES OF INFORMATION

In addition to published annual reports for many of the companies, there are the following sources of data.

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual)

Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual)

Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue *Taxation Statistics* (annual)

Bank of Canada *Statistical Summary* (monthly)

Dominion Bureau of Statistics *Credit Statistics* (monthly)

A wealth of information on these companies is also included in briefs filed with the Royal Commission on Banking and Finance by the Trust Companies Association of Canada, the Federated Council of Sales Finance Companies and the Canadian Consumer Loan Association.

A valuable source of background information is *The Financing of Economic Activity in Canada*, a study prepared by Wm. C. Hood for the Royal Commission on Canada's Economic Prospects.

TABLE 1. Trust Companies
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1961				1962				1963	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
millions of dollars										
Assets										
1. Cash on hand and on deposit:										
(a) In Canadian dollars:										
(i) Cash and bank deposits	29	31	33	47	28	33	25	44	60	
(ii) Cash in other institutions	2	2	2	3	3	2	2	2	2	
(b) In foreign currency	1	7	11	4	16	22	8	7	8	
3. Investments:										
(a) Investments in Canadian securities:										
(i) Government of Canada treasury bills	10	8	10	9	10	7	10	18	9	
(ii) Other Government of Canada debt	253	264	267	277	305	289	292	283	291	
(iii) Provincial government debt	115	119	127	131	135	137	131	136	144	
(iv) Municipal government debt	69	73	78	82	84	85	83	90	99	
(v) Short-term notes of finance and other companies	176	161	169	112	185	145	159	122	190	
(vi) Corporation and institution bonds	112	114	118	127	123	136	129	137	144	
(vii) Mortgage loans and sales agreements	510	532	585	627	666	730	796	831	891	
(viii) Collateral loans	65	72	74	63	65	66	69	82	73	
(b) Investments in Canadian preferred and common stocks	46	48	50	53	54	58	60	63	74	
(c) Investments in foreign securities	5	6	6	6	6	6	6	6	6	
(d) Investments in subsidiary and associated companies	7	6	6	7	7	7	8	9	8	
4. Real estate and equipment	21	23	24	26	29	30	30	33	35	
5. Other assets	9	10	10	12	10	13	13	13	13	
Total assets¹	1,430	1,475	1,569	1,586	1,728	1,765	1,822	1,877	2,046	2,046
Liabilities										
11. Deposits and demand certificates	482	490	530	558	622	655	631	656	710	
12. Deposit receipts and guaranteed investment certificates	776	802	851	848	905	912	974	1,026	1,100	1,100
13. Short-term loans and notes payable:										
(a) Bank loans and overdrafts	9	10	12	9	9	9	10	2	3	
(b) Other loans and notes payable	11	18	18	6	18	9	27	5	36	
15. Other liabilities	4	4	3	3	4	4	4	3	4	
Net worth										
20. General, investment and special reserves	77	80	80	88	91	94	94	103	106	
21. Paid-in-capital	56	57	58	59	60	62	62	65	66	
30. Net accruals, payables and retained income ¹	15	14	18	16	17	20	20	17	20	
Total liabilities and net worth¹	1,430	1,475	1,569	1,586	1,728	1,765	1,822	1,877	2,046	2,046

¹ Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interdividends and other payables, and retained income.

TABLE 2. Mortgage Loan Companies
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

		1960			1961				1962				1963	
		2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q
		millions of dollars												
Assets														
1. Cash on hand and on deposit:														
(a) In Canadian dollars:														
(i) Cash and bank deposits		15	16	15	12	11	12	14	12	12	13	19	13	14
(ii) Cash in other institutions		1	1	1	1	1	1	4	4	3	3	5	3	3
(b) In foreign currency			2				1							
3. Investments:														
(a) Investments in Canadian securities:														
(i) Government of Canada treasury bills			1		1	1	3	6	3		3	2	5	7
(ii) Other Government of Canada debt		81	81	77	83	84	84	90	102	102	96	98	108	124
(iii) Provincial government debt		23	25	25	26	26	25	29	32	32	31	31	31	33
(iv) Municipal government debt		7	7	7	7	6	6	8	9	8	8	8	8	8
(v) Short-term notes of finance and other companies		5	5	9	7	10	9	4	9	5	8	4	22	12
(vi) Corporation and institution bonds		9	10	10	11	12	14	14	15	15	15	14	14	17
(vii) Mortgage loans and sales agreements		668	685	715	734	759	792	832	849	891	937	981	1,011	1,058
(viii) Collateral loans		11	11	8	12	14	13	10	11	13	21	18	15	12
(b) Investments in Canadian preferred and common stocks		31	31	31	33	33	32	33	33	34	34	35	38	39
(c) Investments in foreign securities		5	5	5	3	3	3	3	3	4	5	6	6	4
(d) Investments in subsidiary and associated companies		15	15	21	21	21	21	34	33	34	37	36	40	41
4. Real estate and equipment		16	16	16	17	17	19	19	21	22	22	24	26	28
5. Other assets		5	5	5	7	7	7	6	8	8	8	7	10	9
Total assets ¹		892	917	945	975	1,005	1,041	1,107	1,143	1,183	1,241	1,286	1,349	1,408
Liabilities														
1. Deposits and demand certificates		118	128	135	144	148	160	178	194	206	201	204	215	237
2. Deposits receipts and debentures		616	626	647	663	688	707	740	749	771	815	851	880	903
3. Short-term loans and notes payable:														
(a) Bank loans and overdrafts		2	2	2	2	2	1	4	4	5	10	13	12	14
(b) Other loans and notes payable		6	8	7	5	3	6	5	4	6	16	20	24	29
5. Other liabilities		10	10	11	11	14	15	16	22	22	23	23	30	35
Net worth														
1. General, investment and special reserves		59	59*	61	62	62	62	74	73	75	75	77	79	83
2. Paid-in capital		47	47	47	48	48	48	52	53	54	55	55	60	60
3. Net accruals, payables and retained income ¹		34	37	35	40	39	41	38	44	44	47	43	49	47
Total liabilities and net worth ¹		892	917	945	975	1,005	1,041	1,107	1,143	1,183	1,241	1,286	1,349	1,408

¹ Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

TABLE 3. Sales Finance and Consumer Loan Companies
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1960			1961				1962				1963	
	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q
	millions of dollars												
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	21	26	27	24	20	18	27	14	21	29	22	18	27
(ii) Cash in other institutions							1	1				1	
(b) In foreign currency	2	3	2	1	1	1	1	1		1	1	4	2
2. Accounts and notes receivable	2,079	2,034	2,045	2,033	2,065	1,986	2,031	2,095	2,200	2,173	2,343	2,428	2,567
3. Other current assets	2	2	3	3	2	2	3	3	3	4	4	4	4
4. Investments and advances:													
(a) Investments in Canadian securities:													
(i) Short-term notes of finance and other companies	5	10	6	5	9	7	4	5	16	14	16	10	17
(ii) Government of Canada treasury bills	34	32	27	20	14	17	5	5	18	19	18	20	14
(iii) Other Government of Canada debt	57	40	37	47	43	36	30	29	16	36	42	34	29
(iv) Other Canadian bonds and debentures	13	26	28	29	18	23	18	24	17	13	9	26	25
(v) Other Canadian investments	1	2	2	2	3	4	4	5	6	8	5	6	8
(b) Investments in Canadian preferred and common stocks				4	4	4	4	4	5	5	9	11	11
(c) Investments in foreign securities	4	4	8	4	5	11	19	14	28	4	1		
(d) Investments in subsidiary and associated companies	89	96	109	120	131	146	160	160	172	194	187	207	226
5. Property, plant and equipment	13	12	12	13	13	14	14	15	16	17	15	16	17
6. Other assets	12	12	13	14	15	13	13	14	14	16	17	17	17
Total assets	2,333	2,300	2,317	2,320	2,344	2,284	2,334	2,388	2,533	2,532	2,689	2,800	2,963
Liabilities													
11. Owning parent and associated companies	345	350	361	360	367	394	413	424	432	414	460	456	474
12. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	302	253	281	208	213	166	195	168	232	194	206	188	192
(b) Demand and short-term notes payable (Canadian dollars)	533 ^r	514 ^r	493 ^r	565 ^r	564 ^r	489 ^r	465 ^r	508 ^r	532 ^r	558 ^r	575 ^r	690 ^r	719
(c) Demand and short-term notes payable (foreign currency)	55	49	50	37	35	28	26	27	38	38	88	66	83
(d) Other short-term loans payable	1 ^r	1 ^r	1 ^r	1 ^r	1 ^r	1 ^r	2 ^r	2 ^r	2 ^r	2 ^r	2 ^r	2 ^r	1
13. Accounts payable:													
(a) Income and other taxes payable	17	19	20	21	17	19	20	22	19	19	18	20	20
(b) Other payables	22	23	21	19	23	24	22	26	34	29	26	35	44
14. Other current liabilities:													
(a) Dealers' credit balances	50	49	46	44	46	46	46	41	45	46	44	42	44
(b) Other current liabilities	3	2	2	2	3	3	2	3	3	4	4	4	5
15. Long-term debt:													
(a) Debentures, bonds and notes	589	612	618	630	632	656	682	693	704	718	743	769	819
(b) Mortgages and other long-term debt	3	3	3	3	3	4	4	5	5	5	5	1	1
16. Other liabilities:													
(a) Unearned income and other deferred credits	138	140	139	134	138	139	137	139	148	155	157	157	172
(b) Pensions, trust or earmarked funds						1	1		1	1		1	1
(c) Interest of minority shareholders	1	1	1	1	1	1	1	1	1	1	1	1	1
Net worth													
20. Paid-in capital	159	161	166	173	179	186	191	197	198	202	221	224	236
21. Retained income	114	120	113	120	121	128	127	133	139	146	141	146	152
Total liabilities and net worth	2,333	2,300	2,317	2,320	2,344	2,284	2,334	2,388	2,533	2,532	2,689	2,800	2,963
*Footnote:													
(a) Specified receivables: ¹													
Instalment finance companies:													
Consumer goods	844	851	828	784	797	794	756	732	767	776	771	771	835
Commercial and industrial goods	399	407	393	383 ^r	404 ^r	405	395	386	415	434	425	423	454
Wholesale goods	268	160	229	256	223	128	184	230	236	140	237	300	271
Totals	1,511	1,418	1,450	1,423^r	1,424^r	1,327	1,335	1,348	1,418	1,350	1,433	1,494	1,560
Consumer loan companies:													
Instalment credit	45	47	45	44	42	38	35	35	39	44	45	44	45
Cash loans	479	490	504	506	526	534	559	572	596	617	644	658	689
Totals	524	537	549	550	568	572	594	607	635	661	689	702	734
(b) Other receivables ²	74	110	77	91 ^r	106 ^r	123	135	175	184	199	259	270	315
Total receivables	2,109	2,065	2,076	2,064	2,098	2,022	2,064	2,130	2,237	2,210	2,381	2,466	2,609
Allowance for bad debts	- 31	- 31	- 31	- 31	- 33	- 35	- 34	- 35	- 37	- 37	- 38	- 38	- 42
Total receivables (net)	2,079	2,034	2,045	2,033	2,065	1,986	2,031	2,095	2,200	2,173	2,343	2,428	2,567

¹ Detail of "Specified Receivables" is taken from DBS publication, *Credit Statistics* (Catalogue No. 61-004)

² "Other Receivables" includes inventory financing, capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities, and sampling errors.

^r Revised figures.

TABLE 4. Consumer Loan Companies¹
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1960			1961				1962				1963	
	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q
millions of dollars													
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	4	6	7	6	4	6	6	4	6	7	5	5	5
(ii) Cash in other institutions													
(b) In foreign currency													
2. Accounts and notes receivable	495	502	510	508	525	529	541	548	573	589	608	615	642
3. Other current assets							1	1	1	1	1	1	1
4. Investments and advances:													
(a) Investments in Canadian securities:													
(i) Short-term notes of finance and other companies	3	5	4	5	9	7	4	4	13	10	14	9	14
(ii) Government of Canada treasury bills													
(iii) Other Government of Canada debt													
(iv) Other Canadian bonds and debentures													
(v) Other Canadian investments													
(b) Investments in Canadian preferred and common stocks													
(c) Investments in foreign securities													
(d) Investments in subsidiary and associated companies													
5. Property, plant and equipment	5	5	5	5	5	5	5	5	5	5	5	5	5
6. Other assets	1	1	1	1	1	1	1	1		1	1	1	1
Total assets	507	519	526	525	544	547	557	563	598	612	633	636	668
Liabilities													
1. Owning parent and associated companies	310	318	333	331	340	355	367	369	375	384	404	400	416
2. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	74	63	72	55	64	49	49	42	51	49	51	51	52
(b) Demand and short-term notes payable (Canadian dollars)	30	41	30	39	45	42	39	40	50	49	58	56	62
(c) Demand and short-term notes payable (foreign currency)	1	1	1		1	1		1		1	1	1	
(d) Other short-term loans payable													
3. Accounts payable:													
(a) Income and other taxes payable	8	8	8	9	7	8	8	10	8	10	9	10	9
(b) Other payables	3	3	3	3	4	3	3	4	7	7	4	4	9
4. Other current liabilities:													
(a) Dealers' credit balances	2	2	2	1	2	1	1	1	1	1	1	1	1
(b) Other current liabilities													
5. Long-term debt:													
(a) Debentures, bonds and notes	4	4	4	7	6	6	7	8	7	8	8	9	11
(b) Mortgages and other long-term debt													
6. Other liabilities:													
(a) Unearned income and other deferred credits	18	18	18	18	19	19	19	21	23	23	24	24	26
(b) Pensions, trust or earmarked funds													
(c) Interest of minority shareholders													
Net worth													
0. Paid-in capital	38	38	41	41	41	44	44	45	49	49	52	52	52
1. Retained income	19	22	13	18	16	20	18	23	25	31	22	27	30
Total liabilities and net worth	507	519	526	525	544	547	557	563	598	612	633	636	668

¹ Since some Consumer Loan Companies are included in consolidated reports filed by Sales Finance Companies, this table excludes several of these companies. Totals in this table therefore represent only about 90% of total assets of Consumer Loan Companies.

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BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions

THIRD QUARTER 1963

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BUSINESS FINANCIAL STATISTICS

BALANCE SHEETS

Selected Financial Institutions

THIRD QUARTER 1963

INTRODUCTION

This is a quarterly publication covering selected financial statistics. This issue contains quarterly balance sheet information for trust companies, mortgage loan companies, sales finance and consumer loan companies. Similar data for other groups of financial institutions and the whole area of non-financial corporations will be added in succeeding issues of this quarterly series as they become available.

The quarterly survey of corporation balance sheets was started in 1961 on the recommendation of an Interdepartmental Committee on Financial Statistics representing several government departments and the Bank of Canada. This Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. The growing importance and complexity of the financial transactions of corporations have been in evidence for some time. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time.

During the next few years the balance sheet data collected in these surveys will fill a major gap in knowledge about this area. Such information will be of substantial value to business firms as well as to government.

The survey covers, or will cover, on a sample basis, all non-financial corporations operating in Canada and financial institutions for which quarterly data are not now available. Because of many problems related to obtaining complete lists of the names of corporations, the industrial grouping of these corporations and the inflation of the totals for sample companies into estimates for all corporations, it will be some time before complete results from the survey can be published. In the interim, as stated previously, results for individual industries will be released as the analysis of each is completed.

This publication has been prepared by the Business Finance Division and the Central Research and Development Staff. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

CONTENT OF GROUPS

Trust Companies

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial Acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate trust and agency funds and other financial activities permitted under the Federal and Provincial Trust Company Acts.

The balance sheet data shown for these companies includes both company funds (shareholders equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

Mortgage Loan Companies

This group consists of those companies which raise funds from the public primarily for mortgage

lending. It includes all companies incorporated under the Dominion Loan Companies Act, Savings Certificate Companies and other institutional lenders which fit the above definition. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail levels. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies the main table in this report includes both sales finance and consumer loan companies. However, table 4 presents the totals for consumer loan companies not included in consolidated returns of sales finance companies. The companies in this table have about 90 per cent of the receivables of all consumer finance companies.

Sales finance companies which are wholly-owned subsidiaries of merchandising and manu-

facturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies and companies lending to home owners for home improvements. Insofar as possible the companies in this group in the Assets survey are the same as those covered in the DBS publication *Credit Statistics*. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in *Credit Statistics* and in this publication.

DEFINITION OF ITEMS

Noted below are items where special problems of interpretation may exist.

A. Trust Companies and Mortgage Loan Companies

Item 3 — Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short term securities such as United States treasury bills.

Item 11 — Deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

Item 12 — Deposit receipts, guaranteed investment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

Item 20 — General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

Item 30 — Net payables and retained income

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained, and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

B. Sales Finance and Consumer Loan Companies

Item 2 — Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication *Credit Statistics* contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in *Credit Statistics*. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

Item 11 — Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from these parent companies. Since these loans are inter-company transactions they are eliminated when consolidated reports are filed. This item would therefore be somewhat larger if non-consolidated reports were received from all companies.

Item 12 — Short term loans and notes payable

Demand and short term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either

directly or through investment dealers, to corporations, governments, foreign buyers and persons with short term funds to invest, and are one of the major money-market instruments.

Item 14(a)—Dealers' credit balance

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily withholds

part of the purchase price. This item represents the total amount so withheld.

Item 16(a)—Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

QUALITY OF THE ESTIMATES

Because of the relatively small number of trust companies, mortgage loan companies, sales finance companies and consumer loan companies, and the full cooperation received from them in our survey, coverage in terms of assets is over 90 per cent for each of these groups. The estimates

for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

OTHER SOURCES OF INFORMATION

In addition to published annual reports for many of the companies, there are the following sources of data.

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual)

Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual)

Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue *Taxation Statistics* (annual)

Bank of Canada *Statistical Summary* (monthly)

Dominion Bureau of Statistics *Credit Statistics* (monthly)

A wealth of information on these companies is also included in briefs filed with the Royal Commission on Banking and Finance by the Trust Companies Association of Canada, the Federated Council of Sales Finance Companies and the Canadian Consumer Loan Association.

A valuable source of background information is *The Financing of Economic Activity in Canada*, a study prepared by Wm. C. Hood for the Royal Commission on Canada's Economic Prospects.

TABLE 1. Trust Companies
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1961				1962				1963		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
millions of dollars											
Assets											
1. Cash on hand and on deposit:											
(a) In Canadian dollars:											
(i) Cash and bank deposits	29	31	33	47	28	33	25	44	60	61	43
(ii) Cash in other institutions	2	2	2	3	3	2	2	2	2	4	4
(b) In foreign currency	1	7	11	4	16	22	8	7	8	8	4
3. Investments:											
(a) Investments in Canadian securities:											
(i) Government of Canada treasury bills	10	8	10	9	10	7	10	18	9	4	16
(ii) Other Government of Canada debt	253	264	267	277	305	289	292	283	291	312	290
(iii) Provincial government debt	115	119	127	131	135	137	131	136	144	159	161
(iv) Municipal government debt	69	73	78	82	84	85	83	90	99	103	110
(v) Short-term notes of finance and other companies	176	161	169	112	185	145	159	122	190	215	213
(vi) Corporation and institution bonds	112	114	118	127	123	136	129	137	144	154	154
(vii) Mortgage loans and sales agreements	510	532	585	627	666	730	796	831	891	952	1,022
(viii) Collateral loans	65	72	74	63	65	66	69	82	73	69	80
(b) Investments in Canadian preferred and common stocks	46	48	50	53	54	58	60	63	74	65	66
(c) Investments in foreign securities	5	6	6	6	6	6	6	6	6	3	3
(d) Investments in subsidiary and associated companies	7	6	6	7	7	7	8	9	8	9	10
4. Real estate and equipment	21	23	24	26	29	30	30	33	35	34	35
5. Other assets	9	10	10	12	10	13	13	13	13	16	14
Total assets¹	1,430	1,475	1,569	1,586	1,728	1,765	1,822	1,877	2,046	2,167	2,234
Liabilities											
11. Deposits and demand certificates	482	490	530	558	622	655	631	656	710	778	857
12. Deposit receipts and guaranteed investment certificates	776	802	851	848	905	912	974	1,026	1,100	1,149	1,150
13. Short-term loans and notes payable:											
(a) Bank loans and overdrafts	9	10	12	9	9	9	10	2	3	3	3
(b) Other loans and notes payable ..	11	18	18	6	18	9	27	5	36	42	24
15. Other liabilities	4	4	3	3	4	4	4	3	4	4	3
Net worth											
20. General, investment and special reserves	77	80	80	88	91	94	94	103	106	107	108
21. Paid-in-capital	56	57	58	59	60	62	62	65	66	67	66
22. Net income, less dividends and retained income	15	14	18	16	17	20	20	17	20	17	20
Total liabilities and net worth¹	1,430	1,475	1,569	1,586	1,728	1,765	1,822	1,877	2,046	2,167	2,234

¹ Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, and other liabilities, and retained income.

TABLE 2. Mortgage Loan Companies
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1960			1961				1962				1963		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	millions of dollars													
Assets														
Cash on hand and on deposit:														
(a) In Canadian dollars:														
(i) Cash and bank deposits	15	16	15	12	11	12	14	12	12	13	19	13	14	15
(ii) Cash in other institutions	1	1	1	1	1	1	4	4	3	3	5	3	3	3
(b) In foreign currency		2				1								
Investments:														
(a) Investments in Canadian securities:														
(i) Government of Canada treasury bills		1		1	1	3	6	3		3	2	5	7	3
(ii) Other Government of Canada debt	81	81	77	83	84	84	90	102	102	96	98	108	124	127
(iii) Provincial government debt	23	25	25	26	26	25	29	32	32	31	31	31	33	34
(iv) Municipal government debt	7	7	7	7	6	6	8	9	8	8	8	8	8	8
(v) Short-term notes of finance and other companies	5	5	9	7	10	9	4	9	5	8	4	22	12	4
(vi) Corporation and institution bonds	9	10	10	11	12	14	14	15	15	15	14	14	17	18
(vii) Mortgage loans and sales agreements..	668	685	715	734	759	792	832	849	891	937	981	1,011	1,058	1,121
(viii) Collateral loans	11	11	8	12	14	13	10	11	13	21	18	15	12	17
(b) Investments in Canadian preferred and common stocks	31	31	31	33	33	32	33	33	34	34	35	38	39	45
(c) Investments in foreign securities	5	5	5	3	3	3	3	3	4	5	6	6	4	4
(d) Investments in subsidiary and associated companies	15	15	21	21	21	21	34	33	34	37	36	40	41	41
Real estate and equipment	16	16	16	17	17	19	19	21	22	22	24	26	28	31
Other assets	5	5	5	7	7	7	6	8	8	8	7	10	9	8
Total assets ¹	892	917	945	975	1,005	1,041	1,107	1,143	1,183	1,241	1,286	1,349	1,408	1,479
Liabilities														
Deposits and demand certificates	118	128	135	144	148	160	178	194	206	201	204	215	237	255
Deposit receipts and debentures	616	626	647	663	688	707	740	749	771	815	851	880	903	928
Short-term loans and notes payable:														
(a) Bank loans and overdrafts	2	2	2	2	2	1	4	4	5	10	13	12	14	17
(b) Other loans and notes payable	6	8	7	5	3	6	5	4	6	16	20	24	29	39
Other liabilities	10	10	11	11	14	15	16	22	22	23	23	30	35	39
Net worth														
General, investment and special reserves	59	59	61	62	62	62	74	73	75	75	77	79	83	86
Paid-in capital	47	47	47	48	48	48	52	53	54	55	55	60	60	69
Net accruals, payables and retained income ¹	34	37	35	40	39	41	38	44	44	47	43	49	47	47
Total liabilities and net worth ¹	892	917	945	975	1,005	1,041	1,107	1,143	1,183	1,241	1,286	1,349	1,408	1,479

¹ Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

TABLE 3. Sales Finance and Consumer Loan Companies
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1960			1961				1962				1963		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
millions of dollars														
Assets														
1. Cash on hand and on deposit:														
(a) In Canadian dollars:														
(i) Cash and bank deposits	21	26	27	24	20	18	27	14	21	29	22	18	27	25
(ii) Cash in other institutions							1	1				1		
(b) In foreign currency	2	3	2	1	1	1	1	1		1	1	4	2	2
2. Accounts and notes receivable*	2,079	2,034	2,045	2,033	2,065	1,986	2,031	2,095	2,200	2,173	2,343	2,428	2,567	2,552
3. Other current assets	2	2	3	3	2	2	3	3	3	4	4	4	4	4
4. Investments and advances:														
(a) Investments in Canadian securities:														
(i) Short-term notes of finance and other companies	5	10	6	5	9	7	4	5	16	14	16	10	17	7
(ii) Government of Canada treasury bills	34	32	27	20	14	17	5	5	18	19	18	20	14	13
(iii) Other Government of Canada debt	57	40	37	47	43	36	30	29	16	36	42	34	29	6
(iv) Other Canadian bonds and debentures	13	26	28	29	18	23	18	24	17	13	9	26	25	69
(v) Other Canadian investments	1	2	2	2	3	4	4	5	6	8	5	6	8	10
(b) Investments in Canadian preferred and common stocks				4	4	4	4	4	5	5	9	11	11	12
(c) Investments in foreign securities	4	4	8	4	5	11	19	14	28	4	1			
(d) Investments in subsidiary and associated companies	89	96	109	120	131	146	160	160	172	194	187	207	226	219
5. Property, plant and equipment	13	12	12	13	13	14	14	15	16	17	15	16	17	16
6. Other assets	12	12	13	14	15	13	13	14	14	16	17	17	17	18
Total assets	2,333	2,300	2,317	2,320	2,344	2,284	2,334	2,388	2,533	2,532	2,689	2,800	2,963	2,955
Liabilities														
11. Owing parent and associated companies	345	350	361	360	367	394	413	424	432	414	460	456	474	459
12. Short-term loans and notes payable:														
(a) Bank loans and overdrafts	302	253	281	208	213	166	195	168	232	194	206	188	192	186
(b) Demand and short-term notes payable (Canadian dollars)	533	514	493	565	564	489	465	508	532	558	575	690	719	703
(c) Demand and short-term notes payable (foreign currency)	55	49	50	37	35	28	26	27	38	38	88	66	83	84
(d) Other short-term loans payable	1	1	1	1	1	1	2	2	2	2	2	2	1	2
13. Accounts payable:														
(a) Income and other taxes payable	17	19	20	21	17	19	20	22	19	19	18	20	20	24
(b) Other payables	22	23	21	19	23	24	22	26	34	29	26	35	44	35
14. Other current liabilities:														
(a) Dealers' credit balances	50	49	46	44	46	46	46	41	45	46	44	42	44	46
(b) Other current liabilities	3	2	2	2	3	3	2	3	3	4	4	4	5	5
15. Long-term debt:														
(a) Debentures, bonds and notes	589	612	618	630	632	656	682	693	704	718	743	769	819	835
(b) Mortgages and other long-term debt	3	3	3	3	3	4	4	5	5	5	5	1	1	1
16. Other liabilities:														
(a) Unearned income and other deferred credits	138	140	139	134	138	139	137	139	148	155	157	157	172	177
(b) Pensions, trust or earmarked funds						1	1		1	1		1	1	1
(c) Interest of minority shareholders	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Net worth														
20. Paid-in capital	159	161	166	173	179	186	191	197	198	202	221	224	236	238
21. Retained income	114	120	113	120	121	128	127	133	139	146	141	146	152	159
Total liabilities and net worth	2,333	2,300	2,317	2,320	2,344	2,284	2,334	2,388	2,533	2,532	2,689	2,800	2,963	2,955
*Footnote:														
(a) Specified receivables: ¹														
Instalment finance companies:														
Consumer goods	844	851	828	784	797	794	756	732	767	776	771	771	835	847
Commercial and industrial goods	399	407	393	383	404	405	395	386	415	434	425	423	454	462
Wholesale goods	268	160	229	256	223	128	184	230	236	140	237	300	271	165
Totals	1,511	1,418	1,450	1,423	1,424	1,327	1,335	1,348	1,418	1,350	1,433	1,494	1,560	1,474
Consumer loan companies:														
Instalment credit	45	47	45	44	42	38	35	35	39	44	45	44	45	46
Cash loans	479	490	504	506	526	534	559	572	596	617	644	658	689	706
Totals	524	537	549	550	568	572	594	607	635	661	689	702	734	752
(b) Other receivables ²	74	110	77	91	106	123	135	175	184	199	259	270	315	370
Total receivables	2,109	2,065	2,076	2,064	2,098	2,022	2,064	2,130	2,237	2,210	2,381	2,466	2,609	2,596
Allowance for bad debts	- 31	- 31	- 31	- 31	- 33	- 35	- 34	- 35	- 37	- 37	- 38	- 38	- 42	- 44
Total receivables (net)	2,079	2,034	2,045	2,033	2,065	1,986	2,031	2,095	2,200	2,173	2,343	2,428	2,567	2,552

¹ Detail of "Specified Receivables" is taken from DBS publication, *Credit Statistics* (Catalogue No. 61-004)

² "Other Receivables" includes inventory financing, capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities, a sampling errors.

TABLE 4. Consumer Loan Companies¹
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1960			1961				1962				1963		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	millions of dollars													
Assets														
1. Cash on hand and deposit:														
(a) In Canadian dollars:														
(i) Cash and bank deposits	4	6	7	5	4	6	6	4	6	7	5	5	5	8
(ii) Cash in other institutions														
(b) In foreign currency														
2. Accounts and notes receivable	495	502	510	508	525	529	541	548	573	589	608	615	642	652
3. Other current assets							1	1	1	1	1	1	1	1
4. Investments and advances:														
(a) Investments in Canadian securities:														
(i) Short-term notes of finance and other companies ..	3	5	4	5	9	7	4	4	13	10	14	9	14	4
(ii) Government of Canada treasury bills														
(iii) Other Government of Canada debt														
(iv) Other Canadian bonds and debentures														
(v) Other Canadian investments														
(b) Investments in Canadian preferred and common stocks ..														
(c) Investments in foreign securities														
(d) Investments in subsidiary and associated companies														
5. Property, plant and equipment	5	5	5	5	5	5	5	5	5	5	5	5	5	5
6. Other assets	1	1	1	1	1	1	1	1		1	1	1	1	1
Total assets	507	519	526	525	544	547	557	563	598	612	633	636	668	671
Liabilities														
11. Owing parent and associated companies	310	318	333	331	340	355	367	369	375	384	404	400	416	405
12. Short-term loans and notes payable:														
(a) Bank loans and overdrafts	74	63	72	55	64	49	49	42	51	49	51	51	52	58
(b) Demand and short-term notes payable (Canadian dollars)	30	41	30	39	45	42	39	40	50	49	58	56	62	61
(c) Demand and short-term notes payable (foreign currency)	1	1	1		1	1		1		1	1	1		
(d) Other short-term loans payable														
13. Accounts payable:														
(a) Income and other taxes payable	8	8	8	9	7	8	8	10	8	10	9	10	9	11
(b) Other payables	3	3	3	3	4	3	3	4	7	7	4	4	9	9
14. Other current liabilities:														
(a) Dealers' credit balances	2	2	2	1	2	1	1	1	1	1	1	1	1	1
(b) Other current liabilities														
15. Long-term debt:														
(a) Debentures, bonds and notes	4	4	4	7	6	6	7	8	7	8	8	9	11	11
(b) Mortgages and other long-term debt														
16. Other liabilities:														
(a) Unearned income and other deferred credits	18	18	18	18	19	19	19	21	23	23	24	24	26	27
(b) Pensions, trust or earmarked funds														
(c) Interest of minority shareholders														
Net worth														
20. Paid-in capital	38	38	41	41	41	44	44	45	49	49	52	52	52	52
21. Retained income	19	22	13	18	16	20	18	23	25	31	22	27	30	36
Total liabilities and net worth	507	519	526	525	544	547	557	563	598	612	633	636	668	671

¹ Since some Consumer Loan Companies are included in consolidated reports filed by Sales Finance Companies, this table excludes several of these companies. Totals in this table therefore represent only about 90% of total assets of Consumer Loan Companies.

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BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions

FOURTH QUARTER 1963

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NOTE

The tables in this report have been revised for previous periods to take into account the latest available information.

BUSINESS FINANCIAL STATISTICS

BALANCE SHEETS

Selected Financial Institutions

FOURTH QUARTER 1963

INTRODUCTION

This is a quarterly publication covering selected financial statistics. This issue contains quarterly balance sheet information for trust companies, mortgage loan companies, sales finance and consumer loan companies. Similar data for other groups of financial institutions and the whole area of non-financial corporations will be added in succeeding issues of this quarterly series as they become available.

The quarterly survey of corporation balance sheets was started in 1961 on the recommendation of an Interdepartmental Committee on Financial Statistics representing several government departments and the Bank of Canada. This Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. The growing importance and complexity of the financial transactions of corporations have been in evidence for some time. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time.

During the next few years the balance sheet data collected in these surveys will fill a major gap in knowledge about this area. Such information will be of substantial value to business firms as well as to government.

The survey covers, or will cover, on a sample basis, all non-financial corporations operating in Canada and financial institutions for which quarterly data are not now available. Because of many problems related to obtaining complete lists of the names of corporations, the industrial grouping of these corporations and the inflation of the totals for sample companies into estimates for all corporations, it will be some time before complete results from the survey can be published. In the interim, as stated previously, results for individual industries will be released as the analysis of each is completed.

This publication has been prepared by the Business Finance Division and the Central Research and Development Staff. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

CONTENT OF GROUPS

Trust Companies

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial Acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate trust and agency funds and other financial activities permitted under the Federal and Provincial Trust Company Acts.

The balance sheet data shown for these companies includes both company funds (shareholders equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

Mortgage Loan Companies

This group consists of those companies which raise funds from the public primarily for mortgage

lending. It includes all companies incorporated under the Dominion Loan Companies Act, Savings Certificate Companies and other institutional lenders which fit the above definition. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail levels. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies the main table in this report includes both sales finance and consumer loan companies. However, table 4 presents the totals for consumer loan companies not included in consolidated returns of sales finance companies. The companies in this table have about 90 per cent of the receivables of all consumer finance companies.

Sales finance companies which are wholly-owned subsidiaries of merchandising and manu-

facturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies and companies lending to home owners for home improvements. Insofar as possible the companies in this group in the Assets survey are the same as those covered in the DBS publication *Credit Statistics*. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in *Credit Statistics* and in this publication.

DEFINITION OF ITEMS

Noted below are items where special problems of interpretation may exist.

A. Trust Companies and Mortgage Loan Companies

Item 3 - Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short term securities such as United States treasury bills.

Item 11 - Deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

Item 12 - Deposit receipts, guaranteed investment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

Item 20 - General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

Item 30 - Net payables and retained income

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained, and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

B. Sales Finance and Consumer Loan Companies

Item 2 - Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication *Credit Statistics* contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in *Credit Statistics*. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

Item 11 - Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from these parent companies. Since these loans are inter-company transactions they are eliminated when consolidated reports are filed. This item would therefore be somewhat larger if non-consolidated reports were received from all companies.

Item 12 - Short term loans and notes payable

Demand and short term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either

directly or through investment dealers, to corporations, governments, foreign buyers and persons with short term funds to invest, and are one of the major money-market instruments.

Item 14(a)—Dealers' credit balance

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily withholds

part of the purchase price. This item represents the total amount so withheld.

Item 16(a)—Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

QUALITY OF THE ESTIMATES

Because of the relatively small number of trust companies, mortgage loan companies, sales finance companies and consumer loan companies, and the full cooperation received from them in our survey, coverage in terms of assets is over 90 per cent for each of these groups. The estimates

for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

OTHER SOURCES OF INFORMATION

In addition to published annual reports for many of the companies, there are the following sources of data.

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual)

Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual)

Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue *Taxation Statistics* (annual)

Bank of Canada *Statistical Summary* (monthly)

Dominion Bureau of Statistics *Credit Statistics* (monthly)

A wealth of information on these companies is also included in briefs filed with the Royal Commission on Banking and Finance by the Trust Companies Association of Canada, the Federated Council of Sales Finance Companies and the Canadian Consumer Loan Association.

A valuable source of background information is *The Financing of Economic Activity in Canada*, a study prepared by Wm. C. Hood for the Royal Commission on Canada's Economic Prospects.

TABLE 1. Trust Companies
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1961				1962				1963			
	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q
millions of dollars												
Assets												
1. Cash on hand and on deposit:												
(a) In Canadian dollars:												
(i) Cash and bank deposits	29	31	33	47	30	34	26	46	61	62	44	57
(ii) Cash in other institutions	2	2	2	3	2	2	1	1	1	3	2	2
(b) In foreign currency	1	7	11	4	16	22	8	7	8	8	4	8
3. Investments:												
(a) Investments in Canadian securities:												
(i) Government of Canada treasury bills	10	8	10	9	10	7	10	18	9	4	16	22
(ii) Other Government of Canada debt	253	264	267	277	304	288	290	281	289	311	288	295
(iii) Provincial government debt	115	119	127	131	135	136	131	136	144	159	161	152
(iv) Municipal government debt	69	73	78	82	85	86	87	94	103	107	113	112
(v) Short-term notes of finance and other companies ..	178	161	169	112	185	145	159	122	190	215	213	107
(vi) Corporation and institution bonds	112	114	118	127	126	137	132	140	147	157	167	170
(vii) Mortgage loans and sales agreements	513	535	588	630	680	744	810	845	905	966	1,036	1,088
(viii) Collateral loans	65	72	74	63	66	68	70	83	74	69	80	110
(b) Investments in Canadian preferred and common stocks ..	46	48	50	53	54	57	60	63	73	65	65	64
(c) Investments in foreign securities	5	6	6	6	6	6	6	6	6	3	3	3
(d) Investments in subsidiary and associated companies	7	6	6	7	7	7	8	9	8	9	10	9
4. Real estate and equipment	21	23	24	26	28	28	28	31	33	32	33	36
5. Other assets	10	11	10	12	10	12	13	13	13	15	14	15
Total assets¹	1,434	1,479	1,573	1,590	1,743	1,779	1,839	1,894	2,064	2,185	2,251	2,251
Liabilities												
11. Deposits and demand certificates	482	490	530	558	624	657	633	659	713	780	860	866
12. Deposit receipts and guaranteed investment certificates	779	805	854	851	923	928	995	1,045	1,122	1,170	1,171	1,169
13. Short-term loans and notes payable:												
(a) Bank loans and overdrafts	9	10	12	9	9	10	10	2	3	3	3	2
(b) Other loans and notes payable	11	18	18	6	19	9	27	7	36	42	24	17
15. Other liabilities	5	4	3	3	4	3	3	2	3	2	2	2
Net worth												
20. General, investment and special reserves	77	80	80	88	90	93	93	102	105	107	107	105
21. Paid-in capital	57	58	59	60	58	60	60	62	64	65	65	75
30. Net accruals, payables and retained income ¹	16	14	18	16	15	19	18	14	18	16	19	14
Total liabilities and net worth¹	1,434	1,479	1,573	1,590	1,743	1,779	1,839	1,894	2,064	2,185	2,251	2,251

¹ Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

TABLE 2. Mortgage Loan Companies
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1960	1961				1962				1963			
	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q
millions of dollars													
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	15	12	10	12	14	16	17	17	23	18	19	19	20
(ii) Cash in other institutions	1	1	1	1	4	4	1	4	5	6	5	3	3
(b) In foreign currency				1									
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills		1	1	3	6	3		3	2	5	7	3	4
(ii) Other Government of Canada debt	77	83	84	84	90	96	95	89	91	102	118	120	103
(iii) Provincial government debt	25	26	26	25	29	32	32	31	31	31	33	34	35
(iv) Municipal government debt	7	7	6	6	8	9	9	8	8	8	8	8	8
(v) Short-term notes of finance and other companies	9	7	10	9	4	9	5	8	4	22	12	4	4
(vi) Corporation and institution bonds	10	11	12	14	14	14	15	14	14	14	16	17	18
(vii) Mortgage loans and sales agreements	715	735	760	795	836	858	898	946	989	1,017	1,066	1,122	1,165
(viii) Collateral loans	8	12	14	13	10	11	13	22	18	15	12	17	12
(b) Investments in Canadian preferred and common stocks	31	33	33	32	33	34	36	37	38	41	42	46	50
(c) Investments in foreign securities	5	3	3	3	3	3	6	6	6	6	4	4	4
(d) Investments in subsidiary and associated companies	21	21	21	21	34	33	33	34	36	39	41	41	43
4. Real estate and equipment	16	17	17	19	19	25	26	26	28	31	32	36	38
5. Other assets	5	7	7	7	5	8	8	7	7	10	8	8	8
Total assets¹	945	975	1,007	1,043	1,110	1,155	1,194	1,253	1,300	1,364	1,423	1,483	1,514
Liabilities													
11. Deposits and demand certificates	135	144	148	160	178	196	208	203	205	217	238	256	258
12. Deposit receipts and debentures	590	607	627	648	668	675	690	734	763	787	811	821	844
13. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	2	2	2	2	4	6	7	12	14	15	15	17	12
(b) Other loans and notes payable				1		3	4	4	4	3	3	5	6
15. Other liabilities	75	73	81	81	95	103	110	120	136	153	163	183	194
Net worth													
20. General, investment and special reserves	61	62	62	62	74	73	74	75	78	79	84	85	87
21. Paid-in capital	47	48	48	48	52	54	55	56	57	61	61	68	70
30. Net accruals, payables and retained income ¹	35	40	39	41	38	45	45	49	44	49	48	47	45
Total liabilities and net worth¹	945	975	1,007	1,043	1,110	1,155	1,194	1,253	1,300	1,364	1,423	1,483	1,514

¹ Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

TABLE 3. Sales Finance and Consumer Loan Companies
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1960	1961				1962				1963			
	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q
millions of dollars													
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	28	25	21	18	27	15	22	26	28	19	27	26	31
(ii) Cash in other institutions					1	1				1	4	2	2
(b) In foreign currency	2	1	1	1	1	1		1	1				
2. Accounts and notes receivable*	2,049	2,038	2,071	1,992	2,037	2,105	2,225	2,205	2,365	2,449	2,582	2,553	2,732
3. Other current assets	3	3	2	2	3	3	4	4	4	4	4	4	5
4. Investments and advances:													
(a) Investments in Canadian securities:													
(i) Short-term notes of finance and other companies	6	5	9	7	4	5	17	13	16	10	17	8	8
(ii) Government of Canada treasury bills	27	20	14	17	5	5	18	19	17	20	14	13	5
(iii) Other Government of Canada debt	37	47	43	36	30	29	16	35	42	34	29	6	18
(iv) Other Canadian bonds and debentures	28	29	18	23	18	24	17	13	9	26	25	69	43
(v) Other Canadian investments	2	2	3	4	4	5	5	8	6	8	9	12	13
(b) Investments in Canadian preferred and common stocks		4	4	4	4	4	5	5	10	13	11	12	13
(c) Investments in foreign securities	8	4	5	11	19	14	28	4					2
(d) Investments in subsidiary and associated companies	109	120	131	146	160	161	172	197	195	212	226	220	251
5. Property, plant and equipment	12	13	13	14	14	15	16	16	16	17	17	17	17
6. Other assets	13	14	15	13	13	15	15	16	18	19	18	18	21
Total assets	2,322	2,325	2,350	2,290	2,340	2,401	2,560	2,561	2,726	2,834	2,982	2,961	3,162
Liabilities													
11. Owing parent and associated companies	362	361	368	396	415	427	434	417	464	461	478	460	485
12. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	281	209	214	166	195	166	233	198	212	189	194	187	254
(b) Demand and short-term notes payable (Canadian dollars)	493	565	564	489	465	512	540	570	582	703	723	704	731
(c) Demand and short-term notes payable (foreign currency)	50	37	35	28	26	26	39	38	88	66	83	84	113
(d) Other short-term loans payable	1	1	1	1	2	2	2	2	2	2	2	2	2
13. Accounts payable:													
(a) Income and other taxes payable	20	21	17	19	20	21	19	19	17	20	20	24	22
(b) Other payables	21	19	23	24	22	27	34	30	30	36	44	35	39
14. Other current liabilities:													
(a) Dealers' credit balances	47	44	46	47	46	42	45	46	43	42	45	46	43
(b) Other current liabilities	2	2	3	3	2	3	3	4	4	4	4	5	5
15. Long-term debt:													
(a) Debentures, bonds and notes	621	634	636	660	687	700	712	723	758	776	823	834	864
(b) Mortgages and other long-term debt	2	2	2	3	2	2	4	2	2	2	3	3	4
16. Other liabilities:													
(a) Unearned income and other deferred credits	139	134	139	139	137	139	150	157	159	158	173	178	182
(b) Pensions, trust or earmarked funds				1	1	1	1	1	1	1	1	1	1
(c) Interest of minority shareholders	1	1	1	1	1	1	1	1	1	1	1	1	1
Net worth													
20. Paid-in capital	167	174	180	187	192	199	206	208	223	227	238	239	252
21. Retained income	113	120	121	128	127	133	139	145	140	148	151	160	164
Total liabilities and net worth	2,322	2,325	2,350	2,290	2,340	2,401	2,560	2,561	2,726	2,834	2,982	2,961	3,162
*Footnote:													
(a) Specified receivables: ¹													
Instalment finance companies:													
Consumer goods	828	784	797	794	756	739	782	798	801	799	865	877	886
Commercial and industrial goods	393	383	404	405	395	390	423	445	440	438	469	483	466
Wholesale goods	229	256	223	128	184	230	237	143	240	303	274	166	292
Totals	1,450	1,423	1,424	1,327	1,335	1,359	1,442	1,386	1,481	1,540	1,608	1,526	1,644
Consumer loan companies:													
Instalment credit	45	44	42	38	35	37	42	49	52	51	52	55	55
Cash loans	504	506	526	534	559	576	604	631	662	674	709	728	753
Totals	549	550	568	572	594	613	646	680	714	725	761	783	808
(b) Other receivables ²	81	96	112	128	142	168	174	176	208	223	252	288	323
Total receivables	2,080	2,069	2,104	2,027	2,071	2,140	2,262	2,242	2,403	2,488	2,621	2,597	2,775
Allowance for bad debts	- 31	- 31	- 33	- 35	- 34	- 35	- 37	- 37	- 38	- 39	- 39	- 44	- 43
Total receivables (net)	2,049	2,038	2,071	1,992	2,037	2,105	2,225	2,205	2,365	2,449	2,582	2,553	2,732

¹ Detail of "Specified Receivables" is taken from DBS publication, *Credit Statistics* (Catalogue No. 61-004)

² "Other Receivables" includes inventory financing, capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities, and sampling errors.

TABLE 4. Consumer Loan Companies¹
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1960	1961				1962				1963			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Assets	millions of dollars												
1. Cash on hand and deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	7	6	4	6	6	4	6	7	5	5	5	8	7
(ii) Cash in other institutions													
(b) In foreign currency													
2. Accounts and notes receivable	510	508	525	529	541	550	575	591	610	617	644	654	673
3. Other current assets	1				1	1	1	1	1	1	1	1	1
4. Investments and advances:													
(a) Investments in Canadian securities:													
(i) Short-term notes of finance and other companies	4	5	9	7	4	4	13	10	14	9	15	4	4
(ii) Government of Canada treasury bills													
(iii) Other Government of Canada debt													
(iv) Other Canadian bonds and debentures													
(v) Other Canadian investments													
(b) Investments in Canadian preferred and common stocks													
(c) Investments in foreign securities													
(d) Investments in subsidiary and associated companies													
5. Property, plant and equipment	5	5	5	5	5	5	5	5	5	5	5	5	5
6. Other assets	1	1	1	1	1	1	1	1	1	1	1	1	1
Total assets	526	525	544	547	557	565	600	614	636	638	670	673	691
Liabilities													
1. Owning parent and associated companies	333	331	340	355	367	370	376	385	405	401	417	406	411
2. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	72	55	64	49	49	42	51	50	52	52	52	58	67
(b) Demand and short-term notes payable (Canadian dollars) ..	30	39	45	42	39	41	50	49	58	56	62	61	69
(c) Demand and short-term notes payable (foreign currency) ..	1		1	1		1		1	1	1			
(d) Other short-term loans payable													
3. Accounts payable:													
(a) Income and other taxes payable	8	9	7	8	8	10	8	10	9	10	9	11	8
(b) Other payables	3	3	4	3	3	4	7	7	4	4	9	9	6
4. Other current liabilities:													
(a) Dealers' credit balances	2	1	2	1	1	1	1	1	1	1	1	1	1
(b) Other current liabilities													
5. Long-term debt:													
(a) Debentures, bonds and notes	4	7	6	6	7	8	7	8	8	9	11	11	11
(b) Mortgages and other long-term debt													
6. Other liabilities:													
(a) Unearned income and other deferred credits	18	18	19	19	19	21	23	23	24	24	26	27	30
(b) Pensions, trust or earmarked funds													
(c) Interest of minority shareholders													
Net worth													
0. Paid-in capital	41	41	41	44	44	45	50	50	52	52	53	53	56
1. Retained income	13	18	16	20	18	23	25	31	22	27	30	36	33
Total liabilities and net worth	526	525	544	547	557	565	600	614	636	638	670	673	691

¹ Since some Consumer Loan Companies are included in consolidated reports filed by Sales Finance Companies, this table excludes several of these companies. Totals in this table therefore represent only about 90% of total assets of Consumer Loan Companies.

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BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions

FIRST QUARTER, 1964

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BUSINESS FINANCIAL STATISTICS

BALANCE SHEETS

Selected Financial Institutions

FIRST QUARTER 1964

INTRODUCTION

This is a quarterly publication covering selected financial statistics. This issue contains quarterly balance sheet information for trust companies, mortgage loan companies, sales finance and consumer loan companies. Similar data for other groups of financial institutions and the whole area of non-financial corporations will be added in succeeding issues of this quarterly series as they become available.

The quarterly survey of corporation balance sheets was started in 1961 on the recommendation of an Interdepartmental Committee on Financial Statistics representing several government departments and the Bank of Canada. This Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. The growing importance and complexity of the financial transactions of corporations have been in evidence for some time. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time.

During the next few years the balance sheet data collected in these surveys will fill a major gap in knowledge about this area. Such information will be of substantial value to business firms as well as to government.

The survey covers, or will cover, on a sample basis, all non-financial corporations operating in Canada and financial institutions for which quarterly data are not now available. Because of many problems related to obtaining complete lists of the names of corporations, the industrial grouping of these corporations and the inflation of the totals for sample companies into estimates for all corporations, it will be some time before complete results from the survey can be published. In the interim, as stated previously, results for individual industries will be released as the analysis of each is completed.

This publication has been prepared by the Business Finance Division and the Central Research and Development Staff. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

CONTENT OF GROUPS

Trust Companies

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial Acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate trust and agency funds and other financial activities permitted under the Federal and Provincial Trust Company Acts.

The balance sheet data shown for these companies includes both company funds (shareholders equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

Mortgage Loan Companies

This group consists of those companies which raise funds from the public primarily for mortgage

lending. It includes all companies incorporated under the Dominion Loan Companies Act, Savings Certificate Companies and other institutional lenders which fit the above definition. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail levels. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies the main table in this report includes both sales finance and consumer loan companies. However, table 4 presents the totals for consumer loan companies not included in consolidated returns of sales finance companies. The companies in this table have about 90 per cent of the receivables of all consumer finance companies.

Sales finance companies which are wholly-owned subsidiaries of merchandising and manu-

facturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies and companies lending to home owners for home improvements. Insofar as possible the companies in this group in the Assets survey are the same as those covered in the DBS publication *Credit Statistics*. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in *Credit Statistics* and in this publication.

DEFINITION OF ITEMS

Noted below are items where special problems of interpretation may exist.

A. Trust Companies and Mortgage Loan Companies

Item 3—Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short term securities such as United States treasury bills.

Item 11—Deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

Item 12—Deposit receipts, guaranteed investment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

Item 20—General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

Item 30—Net payables and retained income

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained, and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

B. Sales Finance and Consumer Loan Companies

Item 2—Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication *Credit Statistics* contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in *Credit Statistics*. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

Item 11—Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from these parent companies. Since these loans are inter-company transactions they are eliminated when consolidated reports are filed. This item would therefore be somewhat larger if non-consolidated reports were received from all companies.

Item 12—Short term loans and notes payable

Demand and short term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either

directly or through investment dealers, to corporations, governments, foreign buyers and persons with short term funds to invest, and are one of the major money-market instruments.

Item 14(a)—Dealers' credit balance

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily withholds

part of the purchase price. This item represents the total amount so withheld.

Item 16(a)—Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

QUALITY OF THE ESTIMATES

Because of the relatively small number of trust companies, mortgage loan companies, sales finance companies and consumer loan companies, and the full cooperation received from them in our survey, coverage in terms of assets is over 90 per cent for each of these groups. The estimates

for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

OTHER SOURCES OF INFORMATION

In addition to published annual reports for many of the companies, there are the following sources of data.

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual)

Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual)

Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue *Taxation Statistics* (annual)

Bank of Canada *Statistical Summary* (monthly)

Dominion Bureau of Statistics *Credit Statistics* (monthly)

A wealth of information on these companies is also included in briefs filed with the Royal Commission on Banking and Finance by the Trust Companies Association of Canada, the Federated Council of Sales Finance Companies and the Canadian Consumer Loan Association.

A valuable source of background information is *The Financing of Economic Activity in Canada*, a study prepared by Wm. C. Hood for the Royal Commission on Canada's Economic Prospects.

TABLE 1. Trust Companies
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1961				1962				1963				1964
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
millions of dollars													
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	29	31	33	47	30	34	26	46	61	62	44	57	34
(ii) Cash in other institutions	2	2	2	3	2	2	1	1	1	3	2	2	3
(b) In foreign currency	1	7	11	4	16	22	8	7	8	8	4	8	4
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills	10	8	10	9	10	7	10	18	9	4	16	22	15
(ii) Other Government of Canada debt	253	264	267	277	304	288	290	281	289	311	288	295	336
(iii) Provincial government debt	115	119	127	131	135	136	131	136	144	159	161	152	161
(iv) Municipal government debt	69	73	78	82	85	86	87	94	103	107	113	112	124
(v) Short-term notes of finance and other companies	178	161	169	112	185	145	159	122	190	215	213	107	231
(vi) Corporation and institution bonds	112	114	118	127	126	137	132	140	147	157	167	170	184
(vii) Mortgage loans and sales agreements	513	535	588	630	680	744	810	845	905	966	1,036	1,088	1,148
(viii) Collateral loans	65	72	74	63	66	68	70	83	74	69	80	110	83
(b) Investments in Canadian preferred and common stocks	46	48	50	53	54	57	60	63	73	65	65	64	67
(c) Investments in foreign securities	5	6	6	6	6	6	6	6	6	3	3	3	8
(d) Investments in subsidiary and associated companies	7	6	6	7	7	7	8	9	8	9	10	9	10
4. Real estate and equipment	21	23	24	26	28	28	28	31	33	32	33	36	42
5. Other assets	10	11	10	12	10	12	13	13	13	15	14	15	16
Total assets¹	1,434	1,479	1,573	1,590	1,743	1,779	1,839	1,894	2,064	2,185	2,251	2,251	2,465
Liabilities													
11. Deposits and demand certificates (a) Chequable	449 ^r	453 ^r	488 ^r	512 ^r	579 ^r	612 ^r	588 ^r	610 ^r	656 ^r	718 ^r	791 ^r	796 ^r	422
(b) Non-chequable ²													443
12. Deposit receipts and guaranteed investment certificates	811 ^r	842 ^r	895 ^r	896 ^r	968 ^r	974 ^r	1,040 ^r	1,094 ^r	1,179 ^r	1,232 ^r	1,239 ^r	1,238 ^r	1,354
13. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	9	10	12	9	9	10	10	2	3	3	3	2	2
(b) Other loans and notes payable	11	18	18	6	19	9	27	7	36	42	24	17	25
15. Other liabilities ³	5	4	3	3	4	3	3	2	3	2	2	2	7
Net worth													
20. General, investment and special reserves	77	80	80	88	90	93	93	102	105	107	107	105	116
21. Paid-in capital	57	58	59	60	58	60	60	62	64	65	65	75	72
30. Net accruals, payables and retained income ¹	16	14	18	16	15	19	18	14	18	16	19	14	25
Total liabilities and net worth¹	1,434	1,479	1,573	1,590	1,743	1,779	1,839	1,894	2,064	2,185	2,251	2,251	2,465

¹ Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

² This item included in # 11 (a) prior to 1964 as breakdown between chequable and non-chequable accounts was not available for this period.

³ Consists mainly of long-term debentures and notes.

^r Revised figures.

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TABLE 3. Sales Finance and Consumer Loan Companies
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1961				1962				1963				1964
	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q
	millions of dollars												
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	25	21	18	27	15	22	26	28	19	27	26	31	38
(ii) Cash in other institutions	1	1	1	1	1	1	1	1	4	2	2	2	2
(b) In foreign currency	1	1	1	1	1	1	1	1	4	2	2	2	2
2. Accounts and notes receivable*	2,038	2,071	1,992	2,037	2,105	2,225	2,205	2,365	2,449	2,582	2,553	2,732	2,884
3. Other current assets	3	2	2	3	3	4	4	4	4	4	4	5	5
4. Investments and advances:													
(a) Investments in Canadian securities:													
(i) Short-term notes of finance and other companies	5	9	7	4	5	17	13	16	10	17	8	8	8
(ii) Government of Canada treasury bills	20	14	17	5	5	18	19	17	20	14	13	5	6
(iii) Other Government of Canada debt	47	43	36	30	29	16	35	42	34	29	6	18	13
(iv) Other Canadian bonds and debentures	29	18	23	18	24	17	13	9	26	25	69	43	53
(v) Other Canadian investments	2	3	4	4	5	5	8	6	8	9	12	13	18
(b) Investments in Canadian preferred and common stocks	4	4	4	4	4	5	5	10	13	11	12	13	13
(c) Investments in foreign securities	4	5	11	19	14	28	4	4	13	11	12	13	2
(d) Investments in subsidiary and associated companies	120	131	146	160	161	172	197	195	212	226	220	251	264
5. Property, plant and equipment	13	13	14	14	15	16	16	16	17	17	17	17	23
6. Other assets	14	15	13	13	15	15	16	18	19	18	18	21	22
Total assets	2,325	2,350	2,290	2,340	2,401	2,560	2,561	2,726	2,834	2,982	2,961	3,162	3,352
Liabilities													
11. Owing parent and associated companies	361	368	396	415	427	434	417	464	461	478	460	485	485
12. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	209	214	166	195	166	233	198	212	189	194	187	254	232
(b) Demand and short-term notes payable (Canadian dollars)	565	564	489	465	512	540	570	582	703	723	704	731	871
(c) Demand and short-term notes payable (foreign currency)	37	35	28	26	26	39	38	88	66	83	84	113	160
(d) Other short-term loans payable	1	1	1	2	2	2	2	2	2	2	2	2	2
13. Accounts payable:													
(a) Income and other taxes payable	21	17	19	20	21	19	19	17	20	20	24	22	24
(b) Other payables	19	23	24	22	27	34	30	30	36	44	35	39	46
14. Other current liabilities:													
(a) Dealers' credit balances	44	46	47	46	42	45	46	43	42	45	46	43	43
(b) Other current liabilities	2	3	3	2	3	3	4	4	4	4	5	5	5
15. Long-term debt:													
(a) Debentures, bonds and notes (Canadian dollars)	634	636	660	687	700	712	723	758	776	823	834	864	626
(b) Debentures, bonds and notes (foreign currency) ¹													248
(c) Mortgages and other long-term debt	2	2	3	2	2	4	2	2	2	3	3	4	2
16. Other liabilities:													
(a) Unearned income and other deferred credits	134	139	139	137	139	150	157	159	158	173	178	182	182
(b) Pensions, trust or earmarked funds			1	1		1	1		1	1	1	1	1
(c) Interest of minority shareholders	1	1	1	1	1	1	1	1	1	1	1	1	1
Net worth													
20. Paid-in capital	174	180	187	192	199	206	208	223	227	238	239	252	252
21. Retained income	120	121	128	127	133	139	145	140	148	151	160	164	171
Total liabilities and net worth	2,325	2,350	2,290	2,340	2,401	2,560	2,561	2,726	2,834	2,982	2,961	3,162	3,352
*Footnote:													
(a) Specified receivables: ²													
Instalment finance companies:													
Consumer goods	784	797	794	756	739	782	798	801	799	865	877	873 ^r	869
Commercial and industrial goods	383	404	405	395	390	423	445	440	438	469	483	478 ^r	485
Wholesale goods	256	223	128	184	230	237	143	240	303	274	166	292 ^r	405
Totals	1,423	1,424	1,327	1,335	1,359	1,442	1,386	1,481	1,540	1,608	1,526	1,643^r	1,759
Consumer loan companies:													
Instalment credit	44	42	38	35	37	42	49	52	51	52	55	55	46
Cash loans	506	526	534	559	576	604	631	662	674	709	728	753	750
Totals	550	568	572	594	613	646	680	714	725	761	783	808	796
(b) Other receivables ³	96	112	128	142	168	174	176	208	223	252	288	324 ^r	374
Total receivables	2,069	2,104	2,027	2,071	2,140	2,262	2,242	2,403	2,488	2,621	2,597	2,775	2,921^r
Allowance for bad debts	- 31	- 33	- 35	- 34	- 35	- 37	- 37	- 38	- 39	- 39	- 44	- 43	- 45
Total receivables (net)	2,038	2,071	1,992	2,037	2,105	2,225	2,205	2,365	2,449	2,582	2,553	2,732	2,884

¹ This item included in # 15 (a) prior to 1964 as breakdown between Canadian and foreign debt was not available for this period.
² Detail of "Specified Receivables" is taken from DBS publication, *Credit Statistics* (Catalogue No. 61-004).
³ "Other Receivables" includes inventory financing, capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities, and sampling errors.
^r Revised figures.

TABLE 4. Consumer Loan Companies¹
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1961				1962				1963				1964
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
	millions of dollars												
Assets													
Cash on hand and deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	6	4	6	6	4	6	7	5	5	5	8	7	8
(ii) Cash in other institutions													
(b) In foreign currency													
Accounts and notes receivable	508	525	529	541	550	575	591	610	617	644	654	673	678
Other current assets				1	1	1	1	1	1	1	1	1	1
Investments and advances:													
(a) Investments in Canadian securities:													
(i) Short-term notes of finance and other companies	5	9	7	4	4	13	10	14	9	15	4	4	5
(ii) Government of Canada treasury bills													
(iii) Other Government of Canada debt													
(iv) Other Canadian bonds and debentures													
(v) Other Canadian investments													
(b) Investments in Canadian preferred and common stocks													
(c) Investments in foreign securities													
(d) Investments in subsidiary and associated companies													
Property, plant and equipment	5	5	5	5	5	5	5	5	5	5	5	5	5
Other assets	1	1	1	1	1	1	1	1	1	1	1	1	1
Total assets	525	544	547	557	565	600	614	636	638	670	673	691	697
Liabilities													
Owing parent and associated companies	331	340	355	367	370	376	385	405	401	417	406	411	407
Short-term loans and notes payable:													
(a) Bank loans and overdrafts	55	64	49	49	42	51	50	52	52	52	58	67	68
(b) Demand and short-term notes payable (Canadian dollars) ..	39	45	42	39	41	50	49	58	56	62	61	69	69
(c) Demand and short-term notes payable (foreign currency) ..		1	1		1		1	1	1				
(d) Other short-term loans payable													
Accounts payable:													
(a) Income and other taxes payable	9	7	8	8	10	8	10	9	10	9	11	8	10
(b) Other payables	3	4	3	3	4	7	7	4	4	9	9	6	4
Other current liabilities:													
(a) Dealers' credit balances	1	2	1	1	1	1	1	1	1	1	1	1	1
(b) Other current liabilities													
Long-term debt:													
(a) Debentures, bonds and notes (Canadian dollars)	7	6	6	7	8	7	8	8	9	11	11	11	7
(b) Debentures, bonds and notes (foreign currency) ²													3
(c) Mortgages and other long-term debt													
Other liabilities:													
(a) Unearned income and other deferred credits	18	19	19	19	21	23	23	24	24	26	27	30	31
(b) Pensions, trust or earmarked funds													
(c) Interest of minority shareholders													
Net worth													
Paid-in capital	41	41	44	44	45	50	50	52	52	53	53	56	56
Retained income	18	16	20	18	23	25	31	22	27	30	36	33	41
Total liabilities and net worth	525	544	547	557	565	600	614	636	638	670	673	691	697

¹ Since some Consumer Loan Companies are included in consolidated reports filed by Sales Finance Companies, this table excludes several of these companies.

² This item included in # 15 (a) prior to 1964 as breakdown between Canadian and foreign debt was not available for this period.

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BUSINESS FINANCIAL STATISTICS
BALANCE SHEETS

Selected Financial Institutions

SECOND QUARTER 1964

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BUSINESS FINANCIAL STATISTICS

BALANCE SHEETS

Selected Financial Institutions

SECOND QUARTER, 1964

INTRODUCTION

This is a quarterly publication covering selected financial statistics. This issue contains quarterly balance sheet information for trust companies, mortgage loan companies, sales finance and consumer loan companies. Similar data for other groups of financial institutions and the whole area of non-financial corporations will be added in succeeding issues of this quarterly series as they become available.

The quarterly survey of corporation balance sheets was started in 1961 on the recommendation of an Interdepartmental Committee on Financial Statistics representing several government departments and the Bank of Canada. This Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. The growing importance and complexity of the financial transactions of corporations have been in evidence for some time. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time.

During the next few years the balance sheet data collected in these surveys will fill a major gap in knowledge about this area. Such information will be of substantial value to business firms as well as to government.

The survey covers, or will cover, on a sample basis, all non-financial corporations operating in Canada and financial institutions for which quarterly data are not now available. Because of many problems related to obtaining complete lists of the names of corporations, the industrial grouping of these corporations and the inflation of the totals for sample companies into estimates for all corporations, it will be some time before complete results from the survey can be published. In the interim, as stated previously, results for individual industries will be released as the analysis of each is completed.

This publication has been prepared by the Business Finance Division and the Central Research and Development Staff. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

CONTENT OF GROUPS

Trust Companies

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial Acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate trust and agency funds and other financial activities permitted under the Federal and Provincial Trust Company Acts.

The balance sheet data shown for these companies includes both company funds (shareholders equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

Mortgage Loan Companies

This group consists of those companies which raise funds from the public primarily for mortgage

lending. It includes all companies incorporated under the Dominion Loan Companies Act, Savings Certificate Companies and other institutional lenders which fit the above definition. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail levels. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies the main table in this report includes both sales finance and consumer loan companies. However, table 4 presents the totals for consumer loan companies not included in consolidated returns of sales finance companies. The companies in this table have about 90 per cent of the receivables of all consumer finance companies.

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part of the purchase price. This item represents the total amount so withheld.

Item 16(a)—Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

QUALITY OF THE ESTIMATES

Because of the relatively small number of trust companies, mortgage loan companies, sales finance companies and consumer loan companies, and the full cooperation received from them in our survey, coverage in terms of assets is over 90 per cent for each of these groups. The estimates

for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

OTHER SOURCES OF INFORMATION

In addition to published annual reports for many of the companies, there are the following sources of data.

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual)

Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual)

Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue *Taxation Statistics* (annual)

Bank of Canada *Statistical Summary* (monthly)

Dominion Bureau of Statistics *Credit Statistics* (monthly)

A wealth of information on these companies is also included in briefs filed with the Royal Commission on Banking and Finance by the Trust Companies Association of Canada, the Federated Council of Sales Finance Companies and the Canadian Consumer Loan Association.

A valuable source of background information is *The Financing of Economic Activity in Canada*, a study prepared by Wm. C. Hood for the Royal Commission on Canada's Economic Prospects.

Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1961			1962				1963				1964	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	millions of dollars												
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	31	33	47	30	34	26	46	61	62	44	57	34	43
(ii) Cash in other institutions	2	2	3	2	2	1	1	1	3	2	2	3	1
(b) In foreign currency	7	11	4	16	22	8	7	8	8	4	8	4	9
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills	8	10	9	10	7	10	18	9	4	16	22	15	7
(ii) Other Government of Canada debt	264	267	277	304	288	290	281	289	311	288	295	336	324
(iii) Provincial government debt	119	127	131	135	136	131	136	144	159	161	152	161	160
(iv) Municipal government debt	73	78	82	85	86	87	94	103	107	113	112	124	127
(v) Short-term notes of finance and other companies	161	169	112	185	145	159	122	190	215	213	107	231	261
(vi) Corporation and institution bonds	114	118	127	126	137	132	140	147	157	167	170	184	183
(vii) Mortgage loans and sales agreements	535	588	630	680	744	810	845	905	966	1,036	1,088	1,148	1,238
(viii) Collateral loans	72	74	63	66	68	70	83	74	69	80	110	83	94
(b) Investments in Canadian preferred and common stocks	48	50	53	54	57	60	63	73	65	65	64	67	69
(c) Investments in foreign securities	6	6	6	6	6	6	6	6	3	3	3	8	3
(d) Investments in subsidiary and associated companies	6	6	7	7	7	8	9	8	9	10	9	10	11
4. Real estate and equipment	23	24	26	28	28	28	31	33	32	33	36	42	43
5. Other assets	11	10	12	10	12	13	13	13	15	14	15	16	17
Total assets ¹	1,479	1,573	1,590	1,743	1,779	1,839	1,894	2,064	2,185	2,251	2,251	2,465	2,590
Liabilities													
11. Deposits and demand certificates (a) Chequable	453	488	512	579	612	588	610	656	718	791	796	422	443
(b) Non-chequable ²												443	468
12. Deposit receipts and guaranteed investment certificates	842	895	896	968	974	1,040	1,094	1,179	1,232	1,239	1,238	1,354	1,413
13. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	10	12	9	9	10	10	2	3	3	3	2	2	3
(b) Other loans and notes payable	18	18	6	19	9	27	7	36	42	24	17	25	37
15. Other liabilities	4	3	3	4	3	3	2	3	2	2	2	7	6
Net worth													
20. General, investment and special reserves	80	80	88	90	93	93	102	105	107	107	105	116	120
21. Paid-in capital	58	59	60	58	60	60	62	64	65	65	75	72	78
30. Net accruals, payables and retained income ¹	14	18	16	15	19	18	14	18	16	19	14	25	21
Total liabilities and net worth ¹	1,479	1,573	1,590	1,743	1,779	1,839	1,894	2,064	2,185	2,251	2,251	2,465	2,590

¹ Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

^a This item included in # 11 (a) prior to 1964 as breakdown between chequable and non-chequable accounts was not available for this period.

Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1961			1962				1963				1964	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	millions of dollars												
Assets													
Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	10	12	14	16	17	17	23	18	19	19	20	19	20
(ii) Cash in other institutions	1	1	4	4	1	4	5	6	5	3	3	6	11
(b) In foreign currency		1											
Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills	1	3	6	3		3	2	5	7	3	4	3	13
(ii) Other Government of Canada debt	84	84	90	96	95	89	91	102	118	120	103	99	101
(iii) Provincial government debt	26	25	29	32	32	31	31	31	33	34	35	37	42
(iv) Municipal government debt	6	6	8	9	9	8	8	8	8	8	8	8	9
(v) Short-term notes of finance and other companies	10	9	4	9	5	8	4	22	12	4	4	6	5
(vi) Corporation and institution bonds	12	14	14	14	15	14	14	14	16	17	18	20	21
(vii) Mortgage loans and sales agreements	760	795	836	858	898	946	989	1,017	1,066	1,122	1,165	1,235 ^r	1,304
(viii) Collateral loans	14	13	10	11	13	22	18	15	12	17	12	12	10
(b) Investments in Canadian preferred and common stocks	33	32	33	34	36	37	38	41	42	46	50	51	53
(c) Investments in foreign securities	3	3	3	3	6	6	6	6	4	4	4	15 ^r	7
(d) Investments in subsidiary and associated companies	21	21	34	33	33	34	36	39	41	41	43	42	43
Real estate and equipment	17	19	19	25	26	26	28	31	32	36	38	39	40
Other assets	7	7	5	8	8	7	7	10	8	8	8	12	12
Totals assets¹	1,007	1,043	1,110	1,155	1,194	1,253	1,300	1,364	1,423	1,483	1,514	1,604	1,691
Liabilities													
Deposits and demand certificates (a) Chequable	148	160	178	196	208	203	205	217	238	256	258	142	147
(b) Non-chequable ²												134	146
Deposit receipts and debentures	627	648	668	675	690	734	763	787	811	821	844	865	907
Short-term loans and notes payable:													
(a) Bank loans and overdrafts	2	2	4	6	7	12	14	15	15	17	12	19	32
(b) Other loans and notes payable		1		3	4	4	4	3	3	5	6	9	13
Other liabilities ³	81	81	95	103	110	120	136	153	163	183	194	209	218
Net worth													
General, investment and special reserves	62	62	74	73	74	75	78	79	84	85	87	90	91
Paid-in capital	48	48	52	54	55	56	57	61	61	68	70	84	88
Net accruals, payables and retained income ¹	39	41	38	45	45	49	44	49	48	47	45	53	49
Total liabilities and net worth¹	1,007	1,043	1,110	1,155	1,194	1,253	1,300	1,364	1,423	1,483	1,514	1,604	1,691

¹ Total assets excludes dividends, accrued interest and other receivables. These receivables are netted against the combined liability items, interest.

¹ This item included in #11 (a) prior to 1964 as breakdown between chequable and non-chequable accounts was not available for this period.

¹ Consists mainly of long-term debentures and notes.

^r Revised figures.

TABLE 3. Sales Finance and Consumer Loan Companies
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1961			1962				1963				1964	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
millions of dollars													
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits.....	21	18	27	15	22	26	28	19	27	26	31	38	35
(ii) Cash in other institutions.....			1	1				1				2	1
(b) In foreign currency	1	1	1	1		1	1	4	2	2	2	2	2
2. Accounts and notes receivable*	2,071	1,992	2,037	2,105	2,225	2,205	2,365	2,449	2,582	2,553	2,732	2,884	3,094
3. Other current assets	2	2	3	3	4	4	4	4	4	4	5	5	10
4. Investments and advances:													
(a) Investments in Canadian securities:													
(i) Short-term notes of finance and other companies	9	7	4	5	17	13	16	10	17	8	8	8	5
(ii) Government of Canada treasury bills	14	17	5	5	18	19	17	20	14	13	5	6	11
(iii) Other Government of Canada debt	43	36	30	29	16	35	42	34	29	6	18	13	27
(iv) Other Canadian bonds and debentures	18	23	18	24	17	13	9	26	25	69	43	53	58
(v) Other Canadian investments	3	4	4	5	5	8	6	8	9	12	13	18	23
(b) Investments in Canadian preferred and common stocks	4	4	4	4	5	5	10	13	11	12	13	13	27
(c) Investments in foreign securities	5	11	19	14	28	4					2		
(d) Investments in subsidiary and associated companies	131	146	160	161	172	197	195	212	226	220	251	264	214
5. Property, plant and equipment.....	13	14	14	15	16	16	16	17	17	17	17	23	32
6. Other assets	15	13	13	15	15	16	18	19	18	18	21	22	25
Total assets	2,350	2,290	2,340	2,401	2,560	2,561	2,726	2,834	2,982	2,961	3,162	3,352	3,564
Liabilities													
11. Owning parent and associated companies	368	396	415	427	434	417	464	461	478	460	485	485	440
12. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	214	166	195	166	233	198	212	189	194	187	254	232	244
(b) Demand and short-term notes payable (Canadian dollars)	564	489	465	512	540	570	582	703	723	704	731	871	1,010
(c) Demand and short-term notes payable (foreign currency).....	35	28	26	26	39	38	88	66	83	84	113	160	184
(d) Other short-term loans payable	1	1	2	2	2	2	2	2	2	2	2	2	3
13. Accounts payable:													
(a) Income and other taxes payable	17	19	20	21	19	19	17	20	20	24	22	24	23
(b) Other payables	23	24	22	27	34	30	30	36	44	35	39	46	54
14. Other current liabilities:													
(a) Dealers' credit balances	46	47	46	42	45	46	43	42	45	46	43	43	47
(b) Other current liabilities	3	3	2	3	3	4	4	4	4	5	5	5	6
15. Long-term debt:													
(a) Debentures, bonds and notes (Canadian dollars)	636	660	687	700	712	723	758	776	823	834	864	626	640
(b) Debentures, bonds and notes (foreign currency) ¹												248	259
(c) Mortgages and other long-term debt	2	3	2	2	4	2	2	2	3	3	4	2	6
16. Other liabilities:													
(a) Unearned income and other deferred credits	139	139	137	139	150	157	159	158	173	178	182	182	200
(b) Pensions, trust or earmarked funds		1	1		1	1		1	1	1	1	1	1
(c) Interest of minority shareholders	1	1	1	1	1	1	1	1	1	1	1	1	1
Net worth													
20. Paid-in capital.....	180	187	192	199	206	208	223	227	238	239	252	252	265
21. Retained income	121	128	127	133	139	145	140	148	151	160	164	171	175
Total liabilities and net worth	2,350	2,290	2,340	2,401	2,560	2,561	2,726	2,834	2,982	2,961	3,162	3,352	3,564
*Footnote:													
(a) Specified receivables: ²													
Instalment finance companies:													
Consumer goods	797	794	756	739	782	798	801	799	865	877	873	869	942
Commercial and industrial goods	404	405	395	390	423	445	440	438	469	483	478	485	529
Wholesale goods	223	128	184	230	237	143	240	303	274	166	292	405	397
Totals	1,424	1,327	1,335	1,359	1,442	1,386	1,481	1,540	1,608	1,526	1,643	1,759	1,868
Consumer loan companies:													
Instalment credit	42	38	35	37	42	49	52	51	52	55	55	46	49
Cash loans	526	534	559	576	604	631	662	674	709	728	753	750	786
Totals	568	572	594	613	646	680	714	725	761	783	808	796	835
(b) Other receivables ³	112	128	142	168	174	176	208	223	252	288	324	374	438
Total receivables	2,104	2,027	2,071	2,140	2,262	2,242	2,403	2,488	2,621	2,597	2,775	2,929	3,141
Allowance for bad debts	- 33	- 35	- 34	- 35	- 37	- 37	- 38	- 39	- 39	- 44	- 43	- 45	- 47
Total receivables (net)	2,071	1,992	2,037	2,105	2,225	2,205	2,365	2,449	2,582	2,553	2,732	2,884	3,094

¹ This item included in # 15 (a) prior to 1964 as breakdown between Canadian and foreign debt was not available for this period.

² Detail of "Specified Receivables" is taken from DBS publication, *Credit Statistics* (Catalogue No. 61-004).

³ "Other Receivables" includes inventory financing, capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities, and sundry others.

TABLE 4. Consumer Loan Companies¹
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1961			1962				1963				1964	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	millions of dollars												
Assets													
Cash on hand and deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	4	6	6	4	6	7	5	5	5	8	7	8	7
(ii) Cash in other institutions													
(b) In foreign currency													
Accounts and notes receivable	525	529	541	550	575	591	610	617	644	654	673	678	711
Other current assets			1	1	1	1	1	1	1	1	1	1	1
Investments and advances:													
(a) Investments in Canadian securities:													
(i) Short-term notes of finance and other companies	9	7	4	4	13	10	14	9	15	4	4	5	4
(ii) Government of Canada treasury bills													
(iii) Other Government of Canada debt													
(iv) Other Canadian bonds and debentures													
(v) Other Canadian investments													
(b) Investments in Canadian preferred and common stocks													
(c) Investments in foreign securities													
(d) Investments in subsidiary and associated companies													
Property, plant and equipment	5	5	5	5	5	5	5	5	5	5	5	5	5
Other assets	1	1	1	1	1	1	1	1	1	1	1	1	2
Total assets	544	547	557	565	600	614	636	638	670	673	691	697	730
Liabilities													
Owing parent and associated companies	340	355	367	370	376	385	405	401	417	406	411	407	367
Short-term loans and notes payable:													
(a) Bank loans and overdrafts	64	49	49	42	51	50	52	52	52	58	67	68	62
(b) Demand and short-term notes payable (Canadian dollars)	45	42	39	41	50	49	58	56	62	61	69	69	125
(c) Demand and short-term notes payable (foreign currency)	1	1		1		1	1	1					
(d) Other short-term loans payable													
Accounts payable:													
(a) Income and other taxes payable	7	8	8	10	8	10	9	10	9	11	8	10	8
(b) Other payables	4	3	3	4	7	7	4	4	9	9	6	4	12
Other current liabilities:													
(a) Dealers' credit balances	2	1	1	1	1	1	1	1	1	1	1	1	1
(b) Other current liabilities													
Long-term debt:													
(a) Debentures, bonds and notes (Canadian dollars)	6	6	7	8	7	8	8	9	11	11	11	7	17
(b) Debentures, bonds and notes (foreign currency) ²												3	3
(c) Mortgages and other long-term debt													
Other liabilities:													
(a) Unearned income and other deferred credits	19	19	19	21	23	23	24	24	26	27	30	31	35
(b) Pensions, trust or earmarked funds													
(c) Interest of minority shareholders													
Net worth													
Paid-in capital	41	44	44	45	50	50	52	52	53	53	56	56	55
Retained income	16	20	18	23	25	31	22	27	30	36	33	41	43
Total liabilities and net worth	544	547	557	565	600	614	636	638	670	673	691	697	730

¹ Since some Consumer Loan Companies are included in consolidated reports filed by Sales Finance Companies, this table excludes several of these companies.

² This item included in # 15 (a) prior to 1964 as breakdown between Canadian and foreign debt was not available for this period.

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BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions

THIRD QUARTER 1964

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BUSINESS FINANCIAL STATISTICS

BALANCE SHEETS

Selected Financial Institutions

THIRD QUARTER 1964

INTRODUCTION

This is a quarterly publication covering selected financial statistics. This issue contains quarterly balance sheet information for trust companies, mortgage loan companies, sales finance and consumer loan companies. Similar data for other groups of financial institutions and the whole area of non-financial corporations will be added in succeeding issues of this quarterly series as they become available.

The quarterly survey of corporation balance sheets was started in 1961 on the recommendation of an Interdepartmental Committee on Financial Statistics representing several government departments and the Bank of Canada. This Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. The growing importance and complexity of the financial transactions of corporations have been in evidence for some time. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time.

During the next few years the balance sheet data collected in these surveys will fill a major gap in knowledge about this area. Such information will be of substantial value to business firms as well as to government.

The survey covers, or will cover, on a sample basis, all non-financial corporations operating in Canada and financial institutions for which quarterly data are not now available. Because of many problems related to obtaining complete lists of the names of corporations, the industrial grouping of these corporations and the inflation of the totals for sample companies into estimates for all corporations, it will be some time before complete results from the survey can be published. In the interim, as stated previously, results for individual industries will be released as the analysis of each is completed.

This publication has been prepared by the Business Finance Division and the Central Research and Development Staff. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

CONTENT OF GROUPS

Trust Companies

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial Acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate trust and agency funds and other financial activities permitted under the Federal and Provincial Trust Company Acts.

The balance sheet data shown for these companies includes both company funds (shareholders equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

Mortgage Loan Companies

This group consists of those companies which raise funds from the public primarily for mortgage

lending. It includes all companies incorporated under the Dominion Loan Companies Act, Savings Certificate Companies and other institutional lenders which fit the above definition. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail levels. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies the main table in this report includes both sales finance and consumer loan companies. However, table 4 presents the totals for consumer loan companies not included in consolidated returns of sales finance companies. The companies in this table have about 90 per cent of the receivables of all consumer finance companies.

Sales finance companies which are wholly-owned subsidiaries of merchandising and manu-

facturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies and companies lending to home owners for home improvements. Insofar as possible the companies in this group in the Assets survey are the same as those covered in the DBS publication *Credit Statistics*. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in *Credit Statistics* and in this publication.

DEFINITION OF ITEMS

Noted below are items where special problems of interpretation may exist.

A. Trust Companies and Mortgage Loan Companies

Item 3 — Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short term securities such as United States treasury bills.

Item 11 — Deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

Item 12 — Deposit receipts, guaranteed investment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

Item 20 — General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

Item 30 — Net payables and retained income

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained, and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

B. Sales Finance and Consumer Loan Companies

Item 2 — Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication *Credit Statistics* contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in *Credit Statistics*. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

Item 11 — Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from these parent companies. Since these loans are inter-company transactions they are eliminated when consolidated reports are filed. This item would therefore be somewhat larger if non-consolidated reports were received from all companies.

Item 12 — Short term loans and notes payable

Demand and short term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either

directly or through investment dealers, to corporations, governments, foreign buyers and persons with short term funds to invest, and are one of the major money-market instruments.

Item 14(a)—Dealers' credit balance

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily withholds

part of the purchase price. This item represents the total amount so withheld.

Item 16(a)—Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

QUALITY OF THE ESTIMATES

Because of the relatively small number of trust companies, mortgage loan companies, sales finance companies and consumer loan companies, and the full cooperation received from them in our survey, coverage in terms of assets is over 90 per cent for each of these groups. The estimates

for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

OTHER SOURCES OF INFORMATION

In addition to published annual reports for many of the companies, there are the following sources of data.

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual)

Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual)

Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue *Taxation Statistics* (annual)

Bank of Canada *Statistical Summary* (monthly)

Dominion Bureau of Statistics *Credit Statistics* (monthly)

A wealth of information on these companies is also included in briefs filed with the Royal Commission on Banking and Finance by the Trust Companies Association of Canada, the Federated Council of Sales Finance Companies and the Canadian Consumer Loan Association.

A valuable source of background information is *The Financing of Economic Activity in Canada*, a study prepared by Wm. C. Hood for the Royal Commission on Canada's Economic Prospects.

Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1961		1962				1963				1964		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	millions of dollars												
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	33	47	30	34	26	46	61	62	44	57	34	43	39
(ii) Cash in other institutions	2	3	2	2	1	1	1	3	2	2	3	1	1
(b) In foreign currency	11	4	16	22	8	7	8	8	4	8	4	9	6
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills	10	9	10	7	10	18	9	4	16	22	15	7	6
(ii) Other Government of Canada debt	267	277	304	288	290	281	289	311	288	295	336	324	340
(iii) Provincial government debt	127	131	135	136	131	136	144	159	161	152	161	160	152
(iv) Municipal government debt	78	82	85	86	87	94	103	107	113	112	124	127	123
(v) Short-term notes of finance and other companies	169	112	185	145	159	122	190	215	213	107	231	261	225
(vi) Corporation and institution bonds	118	127	126	137	132	140	147	157	167	170	184	183	187
(vii) Mortgage loans and sales agreements	588	630	680	744	810	845	905	966	1,036	1,088	1,148	1,238	1,315
(viii) Collateral loans	74	63	66	68	70	83	74	69	80	110	83	94	86
(b) Investments in Canadian preferred and common stocks	50	53	54	57	60	63	73	65	65	64	67	69	63
(c) Investments in foreign securities	6	6	6	6	6	6	6	3	3	3	8	3	3
(d) Investments in subsidiary and associated companies	6	7	7	7	8	9	8	9	10	9	10	11	12
4. Real estate and equipment	24	26	28	28	28	31	33	32	33	36	42	43	44
5. Other assets	10	12	10	12	13	13	13	15	14	15	16	17	19
Total assets ¹	1,573	1,590	1,743	1,779	1,839	1,894	2,064	2,185	2,251	2,251	2,465	2,590	2,623
Liabilities													
11. Demand deposits and demand certificates (a) Chequable	488	512	579	612	588	610	656	718	791	796	422	443	456
(b) Non-chequable ²											443	468	491
12. Term deposits, guaranteed investment certificates, instalment certificates and debentures	895	896	968	974	1,040	1,094	1,179	1,232	1,239	1,238	1,354	1,413	1,396
13. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	12	9	9	10	10	2	3	3	3	2	2	3	8
(b) Other loans and notes payable	18	6	19	9	27	7	36	42	24	17	25	37	36
14. Other liabilities	3	3	4	3	3	2	3	2	2	2	7	6	7
Net worth													
20. General, investment and special reserves	80	88	90	93	93	102	105	107	107	105	116	120	123
21. Paid-in capital	59	60	58	60	60	62	64	65	65	75	72	78	82
30. Net accruals, payables and retained income ¹	18	16	15	19	18	14	18	16	19	14	25	21	24
Total liabilities and net worth ¹	1,573	1,590	1,743	1,779	1,839	1,894	2,064	2,185	2,251	2,251	2,465	2,590	2,623

¹ Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

* This item included in # 11 (a) prior to 1964 as breakdown between chequable and non-chequable accounts was not available for this period.

Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	millions of dollars												
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	12	14	16	17	17	23	18	19	19	20	19	20	71
(ii) Cash in other institutions	1	4	4	1	4	5	6	5	3	3	6	11	10
(b) In foreign currency	1												
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills	3	6	3		3	2	5	7	3	4	3	13	9
(ii) Other Government of Canada debt	84	90	96	95	89	91	102	118	120	103	99	101	115
(iii) Provincial government debt	25	29	32	32	31	31	31	33	34	35	37	42	42
(iv) Municipal government debt	6	8	9	9	8	8	8	8	8	8	8	9	9
(v) Short-term notes of finance and other companies	9	4	9	5	8	4	22	12	4	4	6	5	10
(vi) Corporation and institution bonds	14	14	14	15	14	14	14	16	17	18	20	21	23
(vii) Mortgage loans and sales agreements	795	836	858	898	946	989	1,017	1,066	1,122	1,165	1,235	1,304	1,377
(viii) Collateral loans	13	10	11	13	22	18	15	12	17	12	12	10	12
(b) Investments in Canadian preferred and common stocks	32	33	34	36	37	38	41	42	46	50	51	53	56
(c) Investments in foreign securities	3	3	3	6	6	6	6	4	4	4	15	7	4
(d) Investments in subsidiary and associated companies	21	34	33	33	34	36	39	41	41	43	42	43	44
4. Real estate and equipment	19	19	25	26	26	28	31	32	36	38	39	40	43
5. Other assets	7	5	8	8	7	7	10	8	8	8	12	12	10
Totals assets ¹	1,043	1,110	1,155	1,194	1,253	1,300	1,364	1,423	1,483	1,514	1,604	1,691	1,833
Liabilities													
11. Demand deposits and demand certificates (a) Chequable	160	178	196	208	203	205	217	238	256	258	142	147	150
(b) Non-chequable ²											134	146	156
12. Term deposits, guaranteed investment certificates, instalment certificates and debentures	648	668	675	690	734	763	787	811	821	844	865	907	952
13. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	2	4	6	7	12	14	15	15	17	12	19	32	11
(b) Other loans and notes payable	1		3	4	4	4	3	3	5	6	9	13	67
15. Other liabilities ³	81	95	103	110	120	136	153	163	183	194	209	218	255
Net worth													
20. General, investment and special reserves	62	74	73	74	75	78	79	84	85	87	90	91	93
21. Paid-in capital	48	52	54	55	56	57	61	61	68	70	84	88	91
30. Net accruals, payables and retained income ¹	41	38	45	45	49	44	49	48	47	45	53	49	59
Total liabilities and net worth ¹	1,043	1,110	1,155	1,194	1,253	1,300	1,364	1,423	1,483	1,514	1,604	1,691	1,833

Dividends and other payables, and retained income.

TABLE 3. Sales Finance and Consumer Loan Companies
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1961		1962				1963				1964		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
millions of dollars													
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	18	27	15	22	26	28	19	27	26	31	38	35	40
(ii) Cash in other institutions	1	1	1		1	1	4	2	2	2	2	1	3
(b) In foreign currency	1	1	1									2	3
2. Accounts and notes receivable*	1,992	2,037	2,105	2,225	2,205	2,365	2,449	2,582	2,553	2,732	2,884	3,094	3,062
3. Other current assets	2	3	3	4	4	4	4	4	4	5	5	10	8
4. Investments and advances:													
(a) Investments in Canadian securities:													
(i) Short-term notes of finance and other companies	7	4	5	17	13	16	10	17	8	8	8	5	7
(ii) Government of Canada treasury bills	17	5	5	18	19	17	20	14	13	5	6	11	13
(iii) Other Government of Canada debt	36	30	29	16	35	42	34	29	6	18	13	27	29
(iv) Other Canadian bonds and debentures	23	18	24	17	13	9	26	25	69	43	53	58	38
(v) Other Canadian investments	4	4	5	5	8	6	8	9	12	13	18	23	14
(b) Investments in Canadian preferred and common stocks	4	4	4	5	5	10	13	11	12	13	13	27	23
(c) Investments in foreign securities	11	19	14	28	4					2			
(d) Investments in subsidiary and associated companies	146	160	161	172	197	195	212	226	220	251	264	214	264
5. Property, plant and equipment	14	14	15	16	16	16	17	17	17	17	23	32	31
6. Other assets	13	13	15	15	16	18	19	18	18	21	22	25	24
Total assets	2,290	2,340	2,401	2,560	2,561	2,726	2,834	2,982	2,961	3,162	3,352	3,564	3,559
Liabilities													
11. Owning parent and associated companies	396	415	427	434	417	464	461	478	460	485	485	440	443
12. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	166	195	166	233	198	212	189	194	187	254	232	244	205
(b) Demand and short-term notes payable (Canadian dollars)	489	465	512	540	570	582	703	723	704	731	871	1,015	889
(c) Demand and short-term notes payable (foreign currency) ¹	28	26	26	39	38	88	66	83	84	113	160	184	255
(d) Other short-term loans payable	1	2	2	2	2	2	2	2	2	2	2	3	1
13. Accounts payable:													
(a) Income and other taxes payable	19	20	21	19	19	17	20	20	24	22	24	23	26
(b) Other payables	24	22	27	34	30	30	36	44	35	39	46	54	64
14. Other current liabilities:													
(a) Dealers' credit balances	47	46	42	45	46	43	42	45	46	43	43	47	48
(b) Other current liabilities	3	2	3	3	4	4	4	4	5	5	5	6	8
15. Long-term debt:													
(a) Debentures, bonds and notes (Canadian dollars) ..	660	687	700	712	723	758	776	823	834	864	626	640	682
(b) Debentures, bonds and notes (foreign currency) ² ..											248	259	268
(c) Mortgages and other long-term debt	3	2	2	4	2	2	2	3	3	4	2	6	6
16. Other liabilities:													
(a) Unearned income and other deferred credits	139	137	139	150	157	159	158	173	178	182	182	200	213
(b) Pensions, trust or earmarked funds	1	1		1	1		1	1	1	1	1	1	1
(c) Interest of minority shareholders	1	1	1	1	1	1	1	1	1	1	1	1	-1
Net worth													
20. Paid-in capital	187	192	199	206	208	223	227	238	239	252	252	265	268
21. Retained income	128	127	133	139	145	140	148	151	160	164	171	175	183
Total liabilities and net worth	2,290	2,340	2,401	2,560	2,561	2,726	2,834	2,982	2,961	3,162	3,352	3,564	3,559
* Footnote:													
(a) Specified receivables: ³													
Installment finance companies:													
Consumer goods	794	756	739	782	798	801	799	865	878	874	886	962	987
Commercial and industrial goods	405	395	390	423	445	440	448	490	514	520	513	555	579
Wholesale goods	128	184	230	237	143	240	305	279	174	301	415	408	243
Totals	1,327	1,335	1,359	1,442	1,386	1,481	1,552	1,634	1,566	1,695	1,814	1,925	1,809
Consumer loan companies:													
Installment credit	38	35	37	42	49	52	51	53	55	55	46	49	52
Cash loans	534	559	576	604	631	662	675	709	729	755	750	787	812
Totals	572	594	613	646	680	714	726	762	784	810	796	836	864
(b) Other receivables ⁴	128	142	168	174	176	208	210	225	247	270	319	380	437
Total receivables	2,027	2,071	2,140	2,262	2,242	2,403	2,488	2,621	2,597	2,775	2,929	3,141	3,110
Allowance for bad debts	- 35	- 34	- 35	- 37	- 37	- 38	- 39	- 39	- 44	- 43	- 45	- 47	- 48
Total receivables (net)	1,992	2,037	2,105	2,225	2,205	2,365	2,449	2,582	2,553	2,732	2,884	3,094	3,062

¹ Includes foreign bank loans.² This item included in # 15 (a) prior to 1964 as breakdown between Canadian and foreign debt was not available for this period.³ Detail of "Specified Receivables" is taken from DBS publication, *Credit Statistics* (Catalogue No. 61-004) and previous data have been revised accordingly in this publication.⁴ "Other Receivables" includes capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities and sampling errors.

TABLE 4. Consumer Loan Companies¹
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1961		1962				1963				1964		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	millions of dollars												
Assets													
1. Cash on hand and deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	6	6	4	6	7	5	5	5	8	7	8	7	8
(ii) Cash in other institutions													
(b) In foreign currency													
2. Accounts and notes receivable	529	541	550	575	591	610	617	644	654	673	678	711	726
3. Other current assets		1	1	1	1	1	1	1	1	1	1	1	1
4. Investments and advances:													
(a) Investments in Canadian securities:													
(i) Short-term notes of finance and other companies	7	4	4	13	10	14	9	15	4	4	5	4	3
(ii) Government of Canada treasury bills													
(iii) Other Government of Canada debt													
(iv) Other Canadian bonds and debentures													
(v) Other Canadian investments													
(b) Investments in Canadian preferred and common stocks													
(c) Investments in foreign securities													
(d) Investments in subsidiary and associated companies													
5. Property, plant and equipment	5	5	5	5	5	5	5	5	5	5	5	5	5
6. Other assets	1	1	1	1	1	1	1	1	1	1	1	2	2
Total assets	547	557	565	600	614	636	638	670	673	691	697	730	746
Liabilities													
11. Owning parent and associated companies	355	367	370	376	385	405	401	417	406	411	407	367	381
12. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	49	49	42	51	50	52	52	52	58	67	68	62	49
(b) Demand and short-term notes payable (Canadian dollars)	42	39	41	50	49	58	56	62	61	69	69	125	128
(c) Demand and short-term notes payable (foreign currency)	1		1		1	1	1						
(d) Other short-term loans payable													
13. Accounts payable:													
(a) Income and other taxes payable	8	8	10	8	10	9	10	9	11	8	10	8	11
(b) Other payables	3	3	4	7	7	4	4	9	9	6	4	12	13
14. Other current liabilities:													
(a) Dealers' credit balances	1	1	1	1	1	1	1	1	1	1	1	1	1
(b) Other current liabilities													
15. Long-term debt:													
(a) Debentures, bonds and notes (Canadian dollars)	6	7	8	7	8	8	9	11	11	11	7	17	19
(b) Debentures, bonds and notes (foreign currency) ²											3	3	3
(c) Mortgages and other long-term debt													
16. Other liabilities:													
(a) Unearned income and other deferred credits	19	19	21	23	23	24	24	26	27	30	31	35	38
(b) Pensions, trust or earmarked funds													
(c) Interest of minority shareholders													
Net worth													
20. Paid-in capital	44	44	45	50	50	52	52	53	53	56	56	55	55
21. Retained income	20	18	23	25	31	22	27	30	36	33	41	43	48
Total liabilities and net worth	547	557	565	600	614	636	638	670	673	691	697	730	746

¹ Since some Consumer Loan Companies are included in consolidated reports filed by Sales Finance Companies, this table excludes several of these companies.

² This item included in # 15 (a) prior to 1964 as breakdown between Canadian and foreign debt was not available for this period.

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BUSINESS FINANCIAL STATISTICS
BALANCE SHEETS

Selected Financial Institutions

FOURTH QUARTER 1964

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CHANGES FROM PREVIOUS ISSUE

1. Two new tables are included in this issue:
Table 4. Mutual Funds.
Table 5. Closed-End Funds.
2. The table on Consumer Loan Companies was discontinued, with the financial statistics for this group continuing to be reflected in the combined table "Sales Finance and Consumer Loan Companies".
3. Tables 1, 2 and 3 have been revised back to first quarter 1963 taking into account the latest available information.

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BUSINESS FINANCIAL STATISTICS

BALANCE SHEETS

Selected Financial Institutions

FOURTH QUARTER 1964

INTRODUCTION

The survey, which was initiated in 1961, is designed to provide up-to-date information for major industry groups on the assets employed, liabilities incurred and the use of shareholders' equity. The present publication contains the balance sheets for trust companies, mortgage loan companies, sales finance and consumer loan companies, mutual funds and closed-end funds. As information becomes available, the published tables will be expanded to include insurance carriers, credit unions and caisses populaires, investment dealers, other companies in the finance, insurance and real estate industry, and non-financial corporations.

The quarterly survey was started on the recommendation of the Interdepartmental Committee on Financial Statistics, which represents several government departments and the Bank of Canada. The Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time. This corporation information will be combined with data from other parts of the economy to give a comprehensive picture of the financing of economic activity.

Although quarterly (or more frequent) data have been available for some time in areas such as banking, quarterly data for the groups in this report are new, and problems in interpreting the results may occur. For example, seasonal factors affect loans by sales finance companies, and short term commercial paper held by trust companies. Until more experience has been obtained so that deseasonalized totals can be published, each quarter's results should be related to several previous quarters. There will also be discontinuities caused by reorganisations, mergers, reclassification of companies into and out of the published industries, and other factors.

The published balance sheet material is designed to show estimates of the totals at the end of each quarter. It should be used with caution when changes from one quarter to another are being studied. At a later stage, as financial flows accounts are developed, the corrected quarterly changes will be published by industry.

This publication has been prepared in the Business Finance Division. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

² This item included in # 11 (a) prior to 1963 as breakdown between chequable and non-chequable accounts was not available for this period.

Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1961	1962				1963				1964			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	millions of dollars												
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	14	16	17	17	23	14	15	15	17	21	19	67	52
(ii) Cash in other institutions	4	4	1	4	5	3	3	3	3	6	10	9	12
(b) In foreign currency													
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills	6	3		3	2	2	4	1	3	2	12	7	3
(ii) Other Government of Canada debt	90	96	95	89	91	103	119	122	104	102	103	118	117
(iii) Provincial government debt	29	32	32	31	31	35	36	38	35	37	41	41	42
(iv) Municipal government debt	8	9	9	8	8	7	7	8	8	8	9	9	11
(v) Short-term notes of finance and other companies	4	9	5	8	4	17	7	4	4	6	6	11	7
(vi) Corporation and institution bonds	14	14	15	14	14	18	20	20	25	24	24	26	26
(vii) Mortgage loans and sales agreements	836	858	898	946	989	1,029	1,078	1,140	1,188	1,242	1,314	1,387	1,469
(viii) Collateral loans	10	11	13	22	18	15	12	12	13	12	10	11	13
(b) Investments in Canadian preferred and common stocks	33	34	36	37	38	43	45	49	52	51	54	56	56
(c) Investments in foreign securities	3	3	6	6	6	11	7	4	4	14	7	4	4
(d) Investments in subsidiary and associated companies	34	33	33	34	36	40	41	41	43	43	44	44	45
4. Real estate and equipment	19	25	26	26	28	31	33	33	36	36	37	40	42
5. Other assets	5	8	8	7	7	9	8	8	8	12	13	10	9
Total assets¹	1,110	1,155	1,194	1,253	1,300	1,376	1,436	1,497	1,344	1,615	1,702	1,841	1,908
Liabilities													
1. Demand deposits and demand certificates (a) Chequable	178	196	208	203	205	131	138	143	139	142	147	149	154
(b) Non-chequable ² ..						84	102	113	121	133	145	155	166
2. Term deposits, guaranteed investment certificates, instalment certificates and debentures	668	675	690	734	763	788	811	823	845	862	905	949	980
3. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	4	6	7	12	14	16	18	20	20	22	34	13	17
(b) Other loans and notes payable		3	4	4	4	1	1	3	4	6	10	64	69
5. Other liabilities ³	95	103	110	120	136	158	166	185	200	214	226	263	276
Shareholders' equity													
0. General, investment and special reserves	74	73	74	75	78	79	84	85	87	88	90	91	96
1. Paid-in capital	52	54	55	56	57	65	65	72	80	91	95	95	99
0. Net accruals, payables and retained income ⁴	38	45	45	49	44	53	50	53	47	56	51	61	52
Total liabilities and shareholders' equity¹	1,110	1,155	1,194	1,253	1,300	1,376	1,436	1,497	1,544	1,615	1,702	1,841	1,908

¹ Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

² This item included in #11 (a) prior to 1963 as breakdown between chequable and non-chequable accounts was not available for this period.

³ Consists mainly of long-term debentures and notes.

TABLE 3. Sales Finance and Consumer Loan Companies
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1961	1962				1963				1964			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	millions of dollars												
Assets													
1. Cash on hand on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	27	15	22	26	28	19	27	26	27	38	36	40	43
(ii) Cash in other institutions	1	1		1	1	8	8	7	4	2	1	3	2
(b) In foreign currency	1	1							8	9	11	13	13
2. Accounts and notes receivable*	2,037	2,105	2,225	2,205	2,365	2,457	2,595	2,567	2,751	2,901	3,130	3,085	3,202
3. Other current assets	3	3	4	4	4	4	4	4	5	6	6	8	10
4. Investments and advances:													
(a) Investments in Canadian securities:													
(i) Short-term notes of finance and other companies	4	5	17	13	16	10	16	7	7	8	5	7	
(ii) Government of Canada treasury bills	5	5	18	19	17	20	14	14	5	6	11	13	6
(iii) Other Government of Canada debt	30	29	16	35	42	34	29	6	18	13	27	29	9
(iv) Other Canadian bonds and debentures	18	24	17	13	9	26	25	69	43	53	58	38	59
(v) Other Canadian investments	4	5	5	8	6	10	12	16	15	20	23	16	11
(b) Investments in Canadian preferred and common stocks	4	4	5	5	10	13	11	12	13	13	27	23	15
(c) Investments in foreign securities	19	14	28	4		1	1	1	4	1	1		1
(d) Investments in subsidiary and associated companies	160	161	172	197	195	211	229	221	252	266	218	267	273
5. Property, plant and equipment	14	15	16	16	16	17	18	18	18	23	32	32	31
6. Other assets	13	15	15	16	18	17	17	17	20	22	24	24	25
Total assets	2,340	2,401	2,560	2,561	2,726	2,849	3,005	2,986	3,191	3,382	3,610	3,597	3,700
Liabilities													
11. Owing parent and associated companies	415	427	434	417	464	463	480	460	486	488	444	449	452
12. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	195	166	233	198	212	192	194	190	259	230	244	204	234
(b) Demand and short-term notes payable (Canadian dollars)	465	512	540	570	582	694	714	694	744	887	1,042	908	871
(c) Demand and short-term notes payable (foreign currency) ¹	26	26	39	38	88	78	102	105	113	159	181	255	279
(d) Other short-term loans payable	2	2	2	2	2	2	2	2	2	2	3	1	3
13. Accounts payable:													
(a) Income and other taxes payable	20	21	19	19	17	20	20	24	22	24	23	26	22
(b) Other payables	22	27	34	30	30	32	44	34	38	46	53	63	61
14. Other current liabilities:													
(a) Dealers' credit balances	46	42	45	46	43	43	45	47	45	44	47	48	46
(b) Other current liabilities	2	3	3	4	4	4	4	5	5	5	6	7	7
15. Long-term debt:													
(a) Debentures, bonds and notes (Canadian dollars) ..	687	700	712	723	758	566	584	609	622	627	638	682	735
(b) Debentures, bonds and notes (foreign currency) ² ..						210	240	225	243	249	265	269	289
(c) Mortgages and other long-term debt	2	2	4	2	2	3	3	4	4	3	6	6	6
16. Other liabilities:													
(a) Unearned income and other deferred credits	137	139	150	157	159	159	174	179	183	183	204	213	217
(b) Pensions, trust or earmarked funds	1		1	1		1	1	1	1	1	1	1	1
(c) Interest of minority shareholders	1	1	1	1	1	1	1	1	1	2	2	2	1
Shareholders' equity													
20. Paid-in capital	192	199	206	208	223	234	246	248	261	259	272	275	286
21. Retained income	127	133	139	145	140	147	151	159	163	173	178	187	190
Total liabilities and shareholders' equity	2,340	2,401	2,560	2,561	2,726	2,849	3,005	2,986	3,191	3,382	3,610	3,597	3,700
* Footnote:													
(a) Specified receivables: ³													
Sales finance companies:													
Consumer goods	756	739	782	798	801	799	865	878	874	886	962	987	967
Commercial and industrial goods	395	390	423	445	440	448	490	514	520	513	555	579	582
Wholesale goods	184	230	237	143	240	305	279	174	301	415	408	243	257
Totals	1,335	1,359	1,442	1,386	1,481	1,552	1,634	1,566	1,695	1,814	1,925	1,809	1,806
Consumer loan companies:													
Instalment credit	35	37	42	49	52	51	53	55	55	46	49	52	54
Cash loans	559	576	604	631	662	675	709	729	755	750	787	812	847
Totals	594	613	646	680	714	726	762	784	810	796	836	864	901
(b) Other receivables ⁴	142	168	174	176	208	218	241	261	288	336	417	461	545
Total receivables	2,071	2,140	2,262	2,242	2,403	2,496	2,637	2,611	2,793	2,946	3,178	3,134	3,252
Allowance for bad debts	- 34	- 35	- 37	- 37	- 38	- 39	- 42	- 44	- 42	- 45	- 48	- 49	- 50
Total receivables (net)	2,037	2,105	2,225	2,205	2,365	2,457	2,595	2,567	2,751	2,901	3,130	3,085	3,202

¹ Includes foreign bank loans.

² This item included in # 15 (a) prior to 1963 as breakdown between Canadian and foreign debt was not available for this period.

³ Detail of "Specified Receivables" is taken from DBS publication, *Credit Statistics* (Catalogue No. 61-004).

⁴ "Other Receivables" includes capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities and sampling errors.

TABLE 4. Mutual Funds
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1963			1964			
	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Assets							
millions of dollars							
1. Cash on hand and on deposit:							
(a) Canadian dollars:							
(i) Cash and bank deposits	10	11	9	10	16	17	18
(ii) Cash in other institutions	3	3	1	3	3	2	5
(b) Foreign currency	1	3	2	2	2	2	2
2. Short-term notes and bills:							
(a) Government of Canada treasury bills	4	4	4	4	4	4	4
(b) Canadian short-term notes of finance and other companies	4	7	5	3	10	39	43
(c) Foreign short-term notes	1				1	3	1
3. Interest and dividends due and accrued	5	5	6	6	7	6	7
4. Amount due from brokers and other current assets	3	6	5	8	5	10	7
5. Portfolio at cost (see also Table 4 A):							
(a) Investments in Canadian bonds:							
(i) Government of Canada debt	60	58	58	58	64	65	68
(ii) Provincial and municipal debt	29	28	31	31	28	32	42
(iii) Corporate bonds and debentures	36	38	40	45	41	41	44
(iv) Mortgages and agreements of sale	5	6	6	7	9	10	12
(v) Other Canadian investments	3	3	11	19	27	5	9
(b) Investments in Canadian stocks:							
(i) Preferred shares	53	60	64	67	71	71	72
(ii) Common shares	500	507	518	530	551	578	623
(c) Investments in foreign securities:							
(i) Bonds, debentures, mortgages, etc.	2	2	10	10	6	4	5
(ii) Preferred and common shares	144	152	151	152	162	171	178
Total portfolio at cost	832	854	889	919	959	977	1,053
(d) Investments in subsidiary companies							
6. Property, buildings and equipment							
7. Other assets							
8. Total assets at cost	863	894	920	956	1,006	1,060	1,140
Liabilities							
1. Short-term loans:							
(a) Bank loans in Canadian currency	1	3	2	1	2	1	1
(b) Other loans payable						1	1
2. Accounts payable:							
(a) Income and other taxes payable	1	1	1	1	1	1	1
(b) Amount due brokers and other payables	5	11	6	6	9	11	10
3. Long-term debt	1	1	1	1	1	1	1
4. Other liabilities	1			1		1	
Shareholders' equity							
20. Paid-in capital	795	820	845	873	914	963	1,040
21. Reserves:							
(a) Investment reserves	5	5	6	7	6	7	7
(b) Other reserves							
22. Retained income	54	53	60	66	73	75	79
Total liabilities and shareholders' equity	863	894	920	956	1,006	1,060	1,140

TABLE 4 A. Investment Portfolio at Market Value

	1963			1964			
	2Q	3Q	4Q	1Q	2Q	3Q	4Q
millions of dollars							
1. Portfolio:							
(a) Investments in Canadian bonds:							
(i) Government of Canada debt	61	58	58	58	64	65	69
(ii) Provincial and municipal debt	29	28	30	31	28	32	42
(iii) Corporate bonds and debentures	37	40	42	47	45	41	44
(iv) Mortgages and agreements of sale	5	6	7	7	9	10	12
(v) Other Canadian investments	3	4	11	20	28	5	9
(b) Investments in Canadian stocks:							
(i) Preferred shares	55	62	67	70	75	75	76
(ii) Common shares	637	650	676	716	779	843	891
(c) Investments in foreign securities:							
(i) Bonds, debentures, mortgages, etc.	2	2	10	10	6	4	5
(ii) Preferred and common shares	169	178	183	192	205	220	227
Total portfolio at market	998	1,028	1,084	1,151	1,239	1,295	1,375
2. Total portfolio at cost (Item 5-Table 4)	832	854	889	919	959	977	1,053
3. Unrealized appreciation (Item 1 minus 2)	166	174	195	232	280	318	322
TOTAL ASSETS AT MARKET PRICES (Item 8-Table 4 plus item 3-Table 4A)	1,029	1,068	1,115	1,188	1,286	1,378	1,462

TABLE 5. Closed-End Funds
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1963			1964			
	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	millions of dollars						
Assets							
1. Cash on hand and on deposit:							
(a) Canadian dollars:							
(i) Cash and bank deposits	1	2	1	2	1	1	2
(ii) Cash in other institutions		1	1	1	1	3	
(b) Foreign currency							
2. Short-term notes and bills:							
(a) Government of Canada treasury bills	1						
(b) Canadian short-term notes of finance and other companies	8	3	3	1	2	6	4
(c) Foreign short-term notes							
3. Interest and dividends due and accrued	1	1	1	1	1	1	1
4. Amount due from brokers and other current assets	1	1	2	1	2	2	2
5. Portfolio at Cost (see also Table 5A):							
(a) Investments in Canadian bonds:							
(i) Government of Canada debt	7	7	5	4	3	4	5
(ii) Provincial and municipal debt	1	1	1			1	1
(iii) Corporate bonds and debentures	15	16	13	14	11	8	8
(iv) Mortgages and agreements of sale							
(v) Other Canadian investments	7	10	10	60	61	61	60
(b) Investments in Canadian stocks:							
(i) Preferred shares	37	44	29	34	34	33	33
(ii) Common shares	269	299	314	275	275	287	295
(c) Investments in foreign securities:							
(i) Bonds, debentures, mortgages, etc.		1					
(ii) Preferred and common shares	11	11	13	15	15	15	15
Total portfolio at cost	347	389	385	402	399	409	417
(d) Investments in subsidiary companies	14	11	11	11	11	11	11
6. Property, buildings and equipment							
7. Other assets	1	2	2	2	1	1	1
8. Total assets at cost	375	409	406	421	418	437	442
Liabilities							
11. Short-term loans:							
(a) Bank loans in Canadian currency	1	30	19	25	2	2	5
(b) Other loans payable	1	1	1	1	15	24	24
12. Accounts payable:							
(a) Income and other taxes payable							
(b) Amount due brokers and other payables	3	2	2	3	2	3	2
13. Long-term debt	32	32	32	32	32	32	32
14. Other liabilities	1	1	1	1	1	1	1
Shareholders' equity							
20. Paid-in capital	195	199	201	201	202	205	205
21. Reserves:							
(a) Investment reserves	96	97	102	109	114	117	119
(b) Other reserves	1						
22. Retained income	46	47	48	49	51	54	54
Total liabilities and shareholders' equity	375	409	406	421	418	437	442

TABLE 5 A. Investment Portfolio at Market Value

	1963			1964			
	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	millions of dollars						
1. Portfolio:							
(a) Investments in Canadian bonds:							
(i) Government of Canada debt	7	7	5	4	3	4	5
(ii) Provincial and municipal debt	1	1	1			1	1
(iii) Corporate bonds and debentures	18	20	17	18	14	8	8
(iv) Mortgages and agreements of sale							
(v) Other Canadian investments	7	10	10	60	61	61	60
(b) Investments in Canadian stocks:							
(i) Preferred shares	46	56	37	43	45	47	47
(ii) Common shares	444	477	505	491	558	591	608
(c) Investments in foreign securities:							
(i) Bonds, debentures, mortgages, etc.		1					
(ii) Preferred and common shares	17	17	19	21	22	22	21
Total portfolio at market	540	589	594	637	703	734	750
2. Total portfolio at cost (Item 5 - Table 5)	347	389	385	402	399	409	417
3. Unrealized appreciation (Item 1 minus 2)	193	200	209	235	304	325	333
TOTAL ASSETS AT MARKET PRICES (Item 8 - Table 5 plus item 3 - Table 5 A)	568	609	615	656	722	762	775

CONTENT OF GROUPS

Trust Companies

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate, trust and agency funds and other financial activities permitted under the federal and provincial trust companies acts.

The balance sheet data shown for this group includes both company funds (shareholders' equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

Mortgage Loan Companies

This group consists of those companies which raise funds from the public (directly or through publicly owned parent companies) primarily for mortgage lending. It includes all companies incorporated under the Dominion Loan Companies Act, savings certificate companies and other institutional lenders engaged principally in mortgage lending. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail level. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages on the goods purchased. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both sales financing and loan activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies, it was decided to include both sales finance and consumer loan companies in one table.

Sales finance companies which are wholly-owned subsidiaries of merchandising and manufacturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies, and companies lending to home owners for home improvements. Insofar as possible, the companies in this group are the same as those covered in the DBS publication,

Credit Statistics. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in *Credit Statistics* and in this publication.

Mutual Funds

This group includes those firms which have their major assets invested in a portfolio of various types of securities and in which the public may purchase any desired number of shares at a price fixed in relationship to net asset value, and redeem any number of shares held at net asset value. Because the number of outstanding shares constantly changes with purchases and redemptions of shares by each individual investor, the companies in this group are also referred to as open-end funds.

Included in this survey are those companies whose shares are available to the public through the companies' own salesmen or agents, or through stock brokers, trust companies or other managers of funds. Excluded are those funds set up to operate a pension plan, non-resident owned funds in which the Canadian public cannot purchase shares, funds which invest only in the shares of other mutual funds, investment clubs, and other investment companies the shares of which are not available to the general public.

Closed-End Funds

The main difference between this group and the mutual funds is the fact that shares of closed-end companies are not redeemable by the company at net asset value. Share capital is set up as in an ordinary limited corporation. Once the shares have been offered to the public, the number of outstanding shares remains constant. Shares of such corporations may be purchased only from existing holders and owners of such shares must find a buyer if they wish to sell their shares. Such companies are called closed-end funds to distinguish them from the mutual funds or open-end funds.

Closed-end funds have a common feature with mutual funds in that their major assets consist of investments in securities. Investment policies and objectives of many of the closed-end funds are also similar to those of the mutual funds. However, when an investment corporation exists primarily to gain control and provide management it is excluded from the totals and will be included in another group. Because of the various degrees between these two objectives—investment or control—and also because objectives often change, it is difficult to precisely define this group. We have, therefore, closely followed the group of closed-end funds found in the Financial Post Survey of Investment Funds. The user of these data is warned however, that reclassification into or out of this industry of few companies could change drastically the published totals.

DEFINITION OF ITEMS

Noted below are items where special problems of interpretation may exist.

A. Trust Companies and Mortgage Loan Companies

Item 3—Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short-term securities such as United States treasury bills.

Item 11—Demand deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

Item 12—Term deposits, guaranteed investment certificates, instalment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

Item 21—General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

Item 30—Net payables and retained income

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained, and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

B. Sales Finance and Consumer Loan Companies

Item 2—Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication, *Credit*

Statistics contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in *Credit Statistics*. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

Item 11—Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from those parent companies. Since these loans are inter-company transactions they are eliminated when consolidated reports are filed. This item would therefore be larger if non-consolidated reports were received from all companies.

Item 13—Short-term loans and notes payable

Demand and short-term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either directly or through investment dealers, to corporations, governments, foreign buyers and persons with short-term funds to invest, and are one of the major money-market instruments.

Item 15—Dealers' credit balances

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily withholds part of the purchase price. This item represents the total amount so withheld.

Item 17—Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

C. Mutual Funds and Closed-End Funds

Item 5—Investment Portfolio

Investment in securities represents the major assets for these groups. There is a particular interest in the market value of the portfolio since the price of mutual fund shares depends directly on this value. The price of closed-end fund shares also has a close relationship to the market value of the portfolio. For this survey, therefore, the portfolio is shown at both cost price and market value.

Item 21 — Paid-in capital

Included in this item are all the contributions made by shareholders including share capital, capital or paid-in surplus, capital redemption reserves, etc.

Item 24 — Unrealized appreciation

This item is the difference between the value of the portfolio at market price and its cost price.

QUALITY AND COVERAGE OF THE ESTIMATES

As a result of full cooperation by the surveyed corporations and the relatively small number of companies in each of the published groups, coverage in terms of assets is very high for each of the groups in this publication. The estimates for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting

practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

Where available, the tables will carry figures for the thirteen most recent quarters. The figures are published in one million dollar amounts.

OTHER SOURCES OF FINANCIAL INFORMATION

Included among the more valuable sources of background information are:

Report of the Royal Commission on Banking and Finance, 1964

The Financing of Economic Activity in Canada, by Wm. C. Hood, for the Royal Commission on Canada's Economic Prospects

Additional financial statistics on the companies and industries included in this report are available in the following publications:

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual)

Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual)

Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue *Taxation Statistics* (annual)

Bank of Canada *Statistical Summary* (monthly)
Dominion Bureau of Statistics *Credit Statistics* (monthly)

Financial Post *Survey of Industrials* (annual)
Financial Post *Survey of Investment Funds* (annual)

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BBUSINESS FINANCIAL STATISTICS
BALANCE SHEETS

Selected Financial Institutions

FIRST QUARTER 1965



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BUSINESS FINANCIAL STATISTICS

BALANCE SHEETS

Selected Financial Institutions

FIRST QUARTER 1965

INTRODUCTION

The survey, which was initiated in 1961, is designed to provide up-to-date information for major industry groups on the assets employed, liabilities incurred and the use of shareholders' equity. The present publication contains the balance sheets for trust companies, mortgage loan companies, sales finance and consumer loan companies, mutual funds and closed-end funds. As information becomes available, the published tables will be expanded to include insurance carriers, credit unions and caisses populaires, investment dealers, other companies in the finance, insurance and real estate industry, and non-financial corporations.

The quarterly survey was started on the recommendation of the Interdepartmental Committee on Financial Statistics, which represents several government departments and the Bank of Canada. The Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time. This corporation information will be combined with data from other parts of the economy to give a comprehensive picture of the financing of economic activity.

Although quarterly (or more frequent) data have been available for some time in areas such as banking, quarterly data for the groups in this report are new, and problems in interpreting the results may occur. For example, seasonal factors affect loans by sales finance companies, and short term commercial paper held by trust companies. Until more experience has been obtained so that deseasonalized totals can be published, each quarter's results should be related to several previous quarters. There will also be discontinuities caused by reorganisations, mergers, reclassification of companies into and out of the published industries, and other factors.

The published balance sheet material is designed to show estimates of the totals at the end of each quarter. It should be used with caution when changes from one quarter to another are being studied. At a later stage, as financial flows accounts are developed, the corrected quarterly changes will be published by industry.

This publication has been prepared in the Business Finance Division. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

TABLE 1. Trust Companies
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1962				1963				1964				1965
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
millions of dollars													
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits.....	30	34	26	46	63	65	45	60	37	45	41	65	45
(ii) Cash in other institutions.....	2	2	1	1	2	4	4	3	4	2	2	4	4
(b) In foreign currency.....	16	22	8	7	8	8	4	8	3	9	6	13	1
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills.....	10	7	10	18	8	5	15	27	15	7	6	17	12
(ii) Other Government of Canada debt.....	304	288	290	281	284	302	288	291	336	323	339	366	372
(iii) Provincial government debt.....	135	136	131	136	145	164	160	154	166	162	155	163	188
(iv) Municipal government debt.....	85	86	87	94	105	109	115	114	126	129	124	129	139
(v) Short-term notes of finance and other companies.....	185	145	159	122	201	205	218	108	234	261	225	152	303
(vi) Corporation and institution bonds.....	126	137	132	140	156	172	188	196	207	207	210	214	210
(vii) Mortgage loans and sales agreements.....	680	744	810	845	900	968	1,039	1,103	1,175	1,259	1,340	1,422	1,515
(viii) Collateral loans.....	66	68	70	83	77	74	86	123	96	106	102	96	145
(b) Investments in Canadian preferred and common stocks.....	54	57	60	63	75	67	66	65	68	71	65	68	68
(c) Investments in foreign securities.....	6	6	6	6	6	4	4	4	8	4	4	6	7
(d) Investments in subsidiary and associated companies.....	7	7	8	9	8	9	10	10	10	11	12	16	17
4. Real estate and equipment.....	28	28	28	31	32	32	34	36	38	39	40	39	41
5. Other assets.....	10	12	13	13	18	18	17	18	18	20	19	20	20
Total assets¹.....	1,743	1,779	1,839	1,894	2,088	2,205	2,293	2,321	2,541	2,656	2,692	2,789	3,087
Liabilities													
11. Demand deposits and demand certificates (a) Chequable ²	579	612	588	610	381	406	432	451	441	462	475	506	515
(b) Non-chequable ²					275	307	357	368	446	464	487	544 ^F	554
12. Term deposits, guaranteed investment certificates, instalment certificates and debentures.....	968	974	1,040	1,094	1,203	1,254	1,278	1,279	1,405	1,462	1,447	1,478 ^F	1,710
13. Short-term loans and notes payable:													
(a) Bank loans and overdrafts.....	9	10	10	2	3	3	3	2	2	4	8	5	5
(b) Other loans and notes payable.....	19	9	27	7	36	42	24	17	25	37	36	11	47
15. Other liabilities.....	4	3	3	2	5	4	4	4	4	4	5	5	7
Shareholders' equity													
20. General, investment and special reserves.....	90	93	93	102	105	106	108	115	118	123	126	134	135
21. Paid-in capital.....	58	60	60	62	66	66	68	71	76	80	83	84	88
30. Net accruals, payables and retained income ¹	15	19	18	14	14	16	19	15	24	21	25	22	27
Total liabilities and shareholders' equity¹.....	1,743	1,779	1,839	1,894	2,088	2,205	2,293	2,321	2,541	2,656	2,692	2,789	3,087

¹ Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

² Breakdown between chequable and non-chequable accounts was not available prior to 1963

^F Revised figures

TABLE 2. Mortgage Loan Companies
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1962				1963				1964				1965
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
millions of dollars													
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits.....	16	17	17	23	14	15	15	17	21	19	67	52	3
(ii) Cash in other institutions.....	4	1	4	5	3	3	3	3	6	10	9	12	
(b) In foreign currency													
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills.....	3		3	2	2	4	1	3	2	12	7	3	
(ii) Other Government of Canada debt	96	95	89	91	103	119	122	104	102	103	118	117	124
(iii) Provincial government debt.....	32	32	31	31	35	36	38	35	37	41	41	42	4
(iv) Municipal government debt	9	9	8	8	7	7	8	8	8	9	9	11	
(v) Short-term notes of finance and other companies	9	5	8	4	17	7	4	4	6	6	11	7	
(vi) Corporation and institution bonds.....	14	15	14	14	18	20	20	25	24	24	26	26	3
(vii) Mortgage loans and sales agreements.....	858	898	946	989	1,029	1,078	1,140	1,188	1,242	1,314	1,387	1,469	1,575
(viii) Collateral loans.....	11	13	22	18	15	12	12	13	12	10	11	13	10
(b) Investments in Canadian preferred and common stocks.....	34	36	37	38	43	45	49	52	51	54	56	56	56
(c) Investments in foreign securities	3	6	6	6	11	7	4	4	14	7	4	4	4
(d) Investments in subsidiary and associated companies	33	33	34	36	40	41	41	43	43	44	44	45	2
4. Real estate and equipment.....	25	26	26	28	31	33	33	36	36	37	40	42	
5. Other assets.....	8	8	7	7	9	8	8	8	12	13	10	9	12
Total assets¹	1,155	1,194	1,253	1,300	1,376	1,436	1,497	1,544	1,615	1,702	1,841	1,908	2,178
Liabilities													
1. Demand deposits and demand certificates (a) Chequable ²	196	208	203	205	131	138	143	139	142	147	149	154	151
(b) Non-chequable ²					84	102	113	121	133	145	155	166	179
2. Term deposits, guaranteed investment certificates, instalment certificates and debentures.....	675	690	734	763	788	811	823	845	862	905	949	980	1,013
3. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	6	7	12	14	16	18	20	20	22	34	13	17	20
(b) Other loans and notes payable.....	3	4	4	4	1	1	3	4	6	10	64	69	74
5. Other liabilities ³	103	110	120	136	158	166	185	200	214	226	263	276	470 ⁴
Shareholders' equity													
0. General, investment and special reserves	73	74	75	78	79	84	85	87	88	90	91	96	96
1. Paid-in capital	54	55	56	57	65	65	72	80	91	95	95	99	113
0. Net accruals, payables and retained income ¹	45	45	49	44	53	50	53	47	56	51	61	52	63
Total liabilities and shareholders' equity¹	1,155	1,194	1,253	1,300	1,376	1,436	1,497	1,544	1,615	1,702	1,841	1,908	2,178

¹ Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

² Breakdown between chequable and non-chequable accounts was not available prior to 1963.

³ Consists mainly of long-term debentures and notes.

⁴ These items are affected by changes in inter-company accounts of affiliated companies.

TABLE 3. Sales Finance and Consumer Loan Companies
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1962				1963				1964				1965
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
millions of dollars													
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	15	22	26	28	19	27	26	27	38	36	40	43	41
(ii) Cash in other institutions	1				1			4	2	1	3	2	11
(b) In foreign currency	1		1	1	8	8	7	8	9	11	13	13	14
2. Accounts and notes receivable*	2,105	2,225	2,205	2,365	2,457	2,595	2,567	2,751	2,901	3,130	3,085	3,202	3,367
3. Other current assets	3	4	4	4	4	4	4	5	6	6	8	10	6
4. Investments and advances:													
(a) Investments in Canadian securities:													
(i) Short-term notes of finance and other companies	5	17	13	16	10	16	7	7	8	5	7		12
(ii) Government of Canada treasury bills	5	18	19	17	20	14	14	5	6	11	13	6	11
(iii) Other Government of Canada debt	29	16	35	42	34	29	6	18	13	27	29	9	16
(iv) Other Canadian bonds and debentures	24	17	13	9	26	25	69	43	53	58	38	59	60
(v) Other Canadian investments	5	5	8	6	10	12	16	15	20	23	16	11	18
(b) Investments in Canadian preferred and common stocks	4	5	5	10	13	11	12	13	13	27	23	15	13
(c) Investments in foreign securities	14	28	4			1	1	4	1	1		1	1
(d) Investments in subsidiary and associated companies	161	172	197	195	211	229	221	252	266	218	267	273	276
5. Property, plant and equipment	15	16	16	16	17	18	18	18	23	32	32	31	34
6. Other assets	15	15	16	18	17	17	17	20	22	24	24	25	33
Total assets	2,401	2,560	2,561	2,726	2,849	3,005	2,986	3,191	3,382	3,610	3,597	3,700	3,912
Liabilities													
11. Owning parent and associated companies	427	434	417	464	463	480	460	486	488	444	449	452	495
12. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	166	233	198	212	192	194	190	259	230	244	204	234	213
(b) Demand and short-term notes payable (Canadian dollars)	512	540	570	582	694	714	694	744	887	1,042	908	871	981
(c) Demand and short-term notes payable (foreign currency) ¹	26	39	38	88	78	102	105	113	159	181	255	279	261
(d) Other short-term loans payable	2	2	2	2	2	2	2	2	2	3	1	3	16
13. Accounts payable:													
(a) Income and other taxes payable	21	19	19	17	20	20	24	22	24	23	26	22	25
(b) Other payables	27	34	30	30	32	44	34	38	46	53	63	61	69
14. Other current liabilities:													
(a) Dealers' credit balances	42	45	46	43	43	45	47	45	44	47	48	46	44
(b) Other current liabilities	3	3	4	4	4	4	5	5	5	6	7	7	7
15. Long-term debt:													
(a) Debentures, bonds and notes (Canadian dollars) ²	700	712	723	758	566	584	609	622	627	638	682	735	768
(b) Debentures, bonds and notes (foreign currency) ²					210	240	225	243	249	265	269	289	308
(c) Mortgages and other long-term debt	2	4	2	2	3	3	4	4	3	6	6	6	6
16. Other liabilities:													
(a) Unearned income and other deferred credits	139	150	157	159	159	174	179	183	183	204	213	217	217
(b) Pensions, trust or earmarked funds		1	1		1	1	1	1	1	1	1	1	1
(c) Interest of minority shareholders	1	1	1	1	1	1	1	1	2	2	2	1	2
Shareholders' equity													
20. Paid-in capital	199	206	208	223	234	246	248	261	259	272	275	286	305
21. Retained income	133	139	145	140	147	151	159	163	173	178	187	190	195
Total liabilities and shareholders' equity	2,401	2,560	2,561	2,726	2,849	3,005	2,986	3,191	3,382	3,610	3,597	3,700	3,912
* Footnote:													
(a) Specified receivables: ³													
Sales finance companies:													
Consumer goods	739	782	798	801	799	865	878	874	886	962	987	967	958
Commercial and industrial goods	390	423	445	440	448	490	514	520	513	555	579	582	580
Wholesale goods	230	237	143	240	305	279	174	301	415	408	243	257	368
Totals	1,359	1,442	1,386	1,481	1,552	1,634	1,566	1,695	1,814	1,925	1,809	1,806	1,906
Consumer loan companies:													
Installment credit	37	42	49	52	51	53	55	55	46	49	52	54	57
Cash loans	576	604	631	662	675	709	729	755	750	787	812	847	865
Totals	613	646	680	714	726	762	784	810	796	836	864	901	922
(b) Other receivables ⁴	168	174	176	208	218	241	261	288	336	417	461	545	592
Total receivables	2,140	2,262	2,242	2,403	2,496	2,637	2,611	2,793	2,946	3,178	3,134	3,252	3,420
Allowance for bad debts	- 35	- 37	- 37	- 38	- 39	- 42	- 44	- 42	- 45	- 48	- 49	- 50	- 53
Total receivables (net)	2,105	2,225	2,205	2,365	2,457	2,595	2,567	2,751	2,901	3,130	3,085	3,202	3,367

¹ Includes foreign bank loans.

² Breakdown between Canadian and foreign debt was not available prior to 1963.

³ Detail of "Specified Receivables" is taken from DBS publication, *Credit Statistics* (Catalogue No. 61-004).

⁴ "Other Receivables" includes capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities and sampling errors.

TABLE 4. Mutual Funds
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1963			1964				1965
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
millions of dollars								
Assets								
1. Cash on hand and on deposit:								
(a) Canadian dollars:								
(i) Cash and bank deposits	10	11	9	10	16	17	18	24
(ii) Cash in other institutions	3	3	1	3	3	2	5	3
(b) Foreign currency	1	3	2	2	2	2	2	1
2. Short-term notes and bills:								
(a) Government of Canada treasury bills	4	4	4	4	4	4	4	2
(b) Canadian short-term notes of finance and other companies	4	7	5	3	10	39	43	48
(c) Foreign short-term notes	1				1	3	1	3
3. Interest and dividends due and accrued:	5	5	6	6	7	6	7	7
4. Amount due from brokers and other current assets	3	6	5	8	5	10	7	14
5. Portfolio at cost (see also Table 4 A):								
(a) Investments in Canadian bonds:								
(i) Government of Canada debt	60	58	58	58	64	65	68	72
(ii) Provincial and municipal debt	29	28	31	31	28	32	42	53
(iii) Corporate bonds and debentures	36	38	40	45	41	41	44	56
(iv) Mortgages and agreements of sale	5	6	6	7	9	10	12	12
(v) Other Canadian investments	3	3	11	19	27	5	9	13
(b) Investments in Canadian stocks:								
(i) Preferred shares	53	60	64	67	71	71	72	78
(ii) Common shares	500	507	518	530	551	578	623	666
(c) Investments in foreign securities:								
(i) Bonds, debentures, mortgages, etc.	2	2	10	10	6	4	5	5
(ii) Preferred and common shares	144	152	151	152	162	171	178	206
Total portfolio at cost	832	854	889	919	959	977	1,053	1,161
(d) Investments in subsidiary companies								
6. Property, buildings and equipment								
7. Other assets								
8. Total assets at cost	863	894	920	956	1,006	1,060	1,140	1,263
Liabilities								
1. Short-term loans:								
(a) Bank loans in Canadian currency	1	3	2	1	2	1	1	1
(b) Other loans payable						1	1	1
2. Accounts payable:								
(a) Income and other taxes payable	1	1	1	1	1	1	1	1
(b) Amount due brokers and other payables	5	11	6	6	9	11	10	27
3. Long-term debt	1	1	1	1	1	1	1	1
4. Other liabilities	1			1		1		
Shareholders' equity								
0. Paid-in capital	795	820	845	873	914	963	1,040	1,133
1. Reserves:								
(a) Investment reserves	5	5	6	7	6	7	7	8
(b) Other reserves								
2. Retained income	54	53	60	66	73	75	79	91
Total liabilities and shareholders' equity	863	894	920	956	1,006	1,060	1,140	1,263

TABLE 4 A. Investment Portfolio at Market Value

	1963			1964				1965
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
millions of dollars								
Portfolio:								
(a) Investments in Canadian bonds:								
(i) Government of Canada debt	61	58	58	58	64	65	69	73
(ii) Provincial and municipal debt	29	28	30	31	28	32	42	53
(iii) Corporate bonds and debentures	37	40	42	47	45	41	44	57
(iv) Mortgages and agreements of sale	5	6	7	7	9	10	12	12
(v) Other Canadian investments	3	4	11	20	28	5	9	13
(b) Investments in Canadian stocks:								
(i) Preferred shares	55	62	67	70	75	75	76	80
(ii) Common shares	637	650	676	716	779	843	891	972
(c) Investments in foreign securities:								
(i) Bonds, debentures, mortgages, etc.	2	2	10	10	6	4	5	5
(ii) Preferred and common shares	169	178	183	192	205	220	227	263
Total portfolio at market	998	1,028	1,084	1,151	1,239	1,295	1,375	1,528
Total portfolio at cost (Item 5 - Table 4)	832	854	889	919	959	977	1,053	1,161
Unrealized appreciation (Item 1 minus 2)	166	174	195	232	280	318	322	367
TOTAL ASSETS AT MARKET PRICES (Item 8 - Table 4 plus item 3 - Table 4 A)	1,029	1,068	1,115	1,188	1,286	1,378	1,462	1,630

TABLE 5. Closed-end Funds
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1963			1964				1965
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
millions of dollars								
Assets								
1. Cash on hand and on deposit:								
(a) Canadian dollars:								
(i) Cash and bank deposits	1	2	1	2	1	1	2	2
(ii) Cash in other institutions		1	1	1	1	3	2	3
(b) Foreign currency								
2. Short-term notes and bills:								
(a) Government of Canada treasury bills	1							
(b) Canadian short-term notes of finance and other companies	8	3	3	1	2	6	4	20
(c) Foreign short-term notes								
3. Interest and dividends due and accrued	1	1	1	1	1	1	1	1
4. Amount due from brokers and other current assets	1	1	2	1	2	2	2	2
5. Portfolio at cost (see also Table 5A):								
(a) Investments in Canadian bonds:								
(i) Government of Canada debt	7	7	5	4	3	4	5	6
(ii) Provincial and municipal debt	1	1	1			1	1	1
(iii) Corporate bonds and debentures	15	16	13	14	11	8	8	7
(iv) Mortgages and agreements of sale								
(v) Other Canadian investments	7	10	10	60	61	61	60	60
(b) Investments in Canadian stocks:								
(i) Preferred shares	37	44	29	34	34	33	33	32
(ii) Common shares	269	299	314	275	275	287	295	309
(c) Investments in foreign securities:								
(i) Bonds, debentures, mortgages, etc.		1						
(ii) Preferred and common shares	11	11	13	15	15	15	15	17
Total portfolio at cost	347	389	385	402	399	409	417	432
(d) Investments in subsidiary companies	14	11	11	11	11	11	11	11
6. Property, buildings and equipment								
7. Other assets	1	2	2	2	1	1	1	2
8. Total assets at cost	375	409	406	421	418	437	442	474
Liabilities								
11. Short-term loans:								
(a) Bank loans in Canadian currency	1	30	19	25	2	2	5	
(b) Other loans payable	1	1	1	1	15	24	24	43
12. Accounts payable:								
(a) Income and other taxes payable								
(b) Amount due brokers and other payables	3	2	2	3	2	3	2	3
13. Long-term debt	32	32	32	32	32	32	32	32
14. Other liabilities	1	1	1	1	1	1	1	1
Shareholders' equity								
20. Paid-in capital	195	199	201	201	202	205	205	208
21. Reserves:								
(a) Investment reserves	96	97	102	109	114	117	119	131
(b) Other reserves	1							
22. Retained income	46	47	48	49	51	54	54	55
Total liabilities and shareholders' equity	375	409	406	421	418	437	442	474

TABLE 5 A. Investment Portfolio at Market Value

	1963			1964				1965
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
millions of dollars								
1. Portfolio:								
(a) Investments in Canadian bonds:								
(i) Government of Canada debt	7	7	5	4	3	4	5	6
(ii) Provincial and municipal debt	1	1	1			1	1	1
(iii) Corporate bonds and debentures	18	20	17	18	14	8	8	8
(iv) Mortgages and agreements of sale								
(v) Other Canadian investments	7	10	10	60	61	61	60	60
(b) Investments in Canadian stocks:								
(i) Preferred shares	46	56	37	43	45	47	47	48
(ii) Common shares	444	477	505	491	558	591	608	650
(c) Investments in foreign securities:								
(i) Bonds, debentures, mortgages, etc.		1						
(ii) Preferred and common shares	17	17	19	21	22	22	21	23
Total portfolio at market	540	589	594	637	703	734	750	796
2. Total portfolio at cost (Item 5 - Table 5)	347	389	385	402	399	409	417	432
3. Unrealized appreciation (Item 1 minus 2)	193	200	209	235	304	325	333	364
TOTAL ASSETS AT MARKET PRICES (Item 8 - Table 5 plus item 3 - Table 5 A)....	568	609	615	656	722	762	775	838

CONTENT OF GROUPS

Trust Companies

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate, trust and agency funds and other financial activities permitted under the federal and provincial trust companies acts.

The balance sheet data shown for this group includes both company funds (shareholders' equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

Mortgage Loan Companies

This group consists of those companies which raise funds from the public (directly or through publicly owned parent companies) primarily for mortgage lending. It includes all companies incorporated under the Dominion Loan Companies Act, savings certificate companies and other institutional lenders engaged principally in mortgage lending. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail level. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages on the goods purchased. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both sales financing and loan activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies, it was decided to include both sales finance and consumer loan companies in one table.

Sales finance companies which are wholly-owned subsidiaries of merchandising and manufacturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies, and companies lending to home owners for home improvements. Insofar as possible, the companies in this group are the same as those covered in the DBS publication,

Credit Statistics. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in *Credit Statistics* and in this publication.

Mutual Funds

This group includes those firms which have their major assets invested in a portfolio of various types of securities and in which the public may purchase any desired number of shares at a price fixed in relationship to net asset value, and redeem any number of shares held at net asset value. Because the number of outstanding shares constantly changes with purchases and redemptions of shares by each individual investor, the companies in this group are also referred to as open-end funds.

Included in this survey are those companies whose shares are available to the public through the companies' own salesmen or agents, or through stock brokers, trust companies or other managers of funds. Excluded are those funds set up to operate a pension plan, non-resident owned funds in which the Canadian public cannot purchase shares, funds which invest only in the shares of other mutual funds, investment clubs, and other investment companies the shares of which are not available to the general public.

Closed-end Funds

The main difference between this group and the mutual funds is the fact that shares of closed-end companies are not redeemable by the company at net asset value. Share capital is set up as in an ordinary limited corporation. Once the shares have been offered to the public, the number of outstanding shares remains constant. Shares of such corporations may be purchased only from existing holders and owners of such shares must find a buyer if they wish to sell their shares. Such companies are called closed-end funds to distinguish them from the mutual funds or open-end funds.

Closed-end funds have a common feature with mutual funds in that their major assets consist of investments in securities. Investment policies and objectives of many of the closed-end funds are also similar to those of the mutual funds. However, when an investment corporation exists primarily to gain control and provide management it is excluded from the totals and will be included in another group. Because of the various degrees between these two objectives—investment or control—and also because objectives often change, it is difficult to precisely define this group. We have, therefore, closely followed the group of closed-end funds found in the Financial Post Survey of Investment Funds. The user of these data is warned however, that reclassification into or out of this industry of few companies could change drastically the published totals.

DEFINITION OF ITEMS

Noted below are items where special problems of interpretation may exist.

A. Trust Companies and Mortgage Loan Companies

Item 3—Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short-term securities such as United States treasury bills.

Item 11—Demand deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

Item 12—Term deposits, guaranteed investment certificates, instalment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

Item 21—General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

Item 30—Net payables and retained income

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained, and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

B. Sales Finance and Consumer Loan Companies

Item 2—Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication, *Credit*

Statistics contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in *Credit Statistics*. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

Item 11—Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from those parent companies. Since these loans are inter-company transactions they are eliminated when consolidated reports are filed. This item would therefore be larger if non-consolidated reports were received from all companies.

Item 13—Short-term loans and notes payable

Demand and short-term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either directly or through investment dealers, to corporations, governments, foreign buyers and persons with short-term funds to invest, and are one of the major money-market instruments.

Item 15—Dealers' credit balances

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily withholds part of the purchase price. This item represents the total amount so withheld.

Item 17—Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

C. Mutual Funds and Closed-end Funds

Item 5—Investment Portfolio

Investment in securities represents the major assets for these groups. There is a particular interest in the market value of the portfolio since the price of mutual fund shares depends directly on this value. The price of closed-end fund shares also has a close relationship to the market value of the portfolio. For this survey, therefore, the portfolio is shown at both cost price and market value.

Item 21 — Paid-in capital

Included in this item are all the contributions made by shareholders including share capital, capital or paid-in surplus, capital redemption reserves, etc.

Item 24 — Unrealized appreciation

This item is the difference between the value of the portfolio at market price and its cost price.

QUALITY AND COVERAGE OF THE ESTIMATES

As a result of full cooperation by the surveyed corporations and the relatively small number of companies in each of the published groups, coverage in terms of assets is very high for each of the groups in this publication. The estimates for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting

practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

Where available, the tables will carry figures for the thirteen most recent quarters. The figures are published in one million dollar amounts.

OTHER SOURCES OF FINANCIAL INFORMATION

Included among the more valuable sources of background information are:

Report of the Royal Commission on Banking and Finance, 1964

The Financing of Economic Activity in Canada, by Wm. C. Hood, for the Royal Commission on Canada's Economic Prospects

Additional financial statistics on the companies and industries included in this report are available in the following publications:

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual)

Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual)

Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue *Taxation Statistics* (annual)

Bank of Canada *Statistical Summary* (monthly)

Dominion Bureau of Statistics *Credit Statistics* (monthly)

Financial Post *Survey of Industrials* (annual)

Financial Post *Survey of Investment Funds* (monthly)

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BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions

SECOND QUARTER 1965



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BUSINESS FINANCIAL STATISTICS

BALANCE SHEETS

Selected Financial Institutions

SECOND QUARTER 1965

INTRODUCTION

The survey, which was initiated in 1961, is designed to provide up-to-date information for major industry groups on the assets employed, liabilities incurred and the use of shareholders' equity. The present publication contains the balance sheets for trust companies, mortgage loan companies, sales finance and consumer loan companies, mutual funds, closed-end funds, and investment dealers. As information becomes available, the published tables will be expanded to include insurance carriers, credit unions and caisses populaires, other companies in the finance, insurance and real estate industry, and non-financial corporations.

The quarterly survey was started on the recommendation of the Interdepartmental Committee on Financial Statistics, which represents several government departments and the Bank of Canada. The Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time. This corporation information will be combined with data from other parts of the economy to give a comprehensive picture of the financing of economic activity.

Although quarterly (or more frequent) data have been available for some time in areas such as banking, quarterly data for the groups in this report are new, and problems in interpreting the results may occur. For example, seasonal factors affect loans by sales finance companies, and short term commercial paper held by trust companies. Until more experience has been obtained so that deseasonalized totals can be published, each quarter's results should be related to several previous quarters. There will also be discontinuities caused by reorganisations, mergers, reclassification of companies into and out of the published industries, and other factors.

The published balance sheet material is designed to show estimates of the totals at the end of each quarter. It should be used with caution when changes from one quarter to another are being studied. At a later stage, as financial flows accounts are developed, the corrected quarterly changes will be published by industry.

This publication has been prepared in the Business Finance Division. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

TABLE 1. Trust Companies

	1962			1963				1964				1965	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	millions of dollars												
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	34	26	46	63	65	45	60	37	45	41	65	45	58
(ii) Cash in other institutions	2	1	1	2	4	4	3	4	2	2	4	4	2
(b) In foreign currency	22	8	7	8	8	4	8	3	9	6	13	1	2
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills	7	10	18	8	5	15	27	15	7	6	17	12	10
(ii) Other Government of Canada debt	288	290	281	284	302	288	291	336	323	339	366	372	370
(iii) Provincial government debt	136	131	136	145	164	160	154	166	162	155	163	188	196
(iv) Municipal government debt	86	87	94	105	109	115	114	126	129	124	129	139	136
(v) Short-term notes of finance and other companies	145	159	122	201	205	218	108	234	261	225	152	303	340
(vi) Corporation and institution bonds	137	132	140	156	172	188	196	207	207	210	214	210	241
(vii) Mortgage loans and sales agreements	744	810	845	900	968	1,039	1,103	1,175	1,259	1,340	1,422	1,515	1,656
(viii) Collateral loans	68	70	83	77	74	86	123	96	106	102	96	145	99
(b) Investments in Canadian preferred and common stocks	57	60	63	75	67	66	65	68	71	65	68	68	77
(c) Investments in foreign securities	6	6	6	6	4	4	4	8	4	4	6	7	7
(d) Investments in subsidiary and associated companies	7	8	9	8	9	10	10	10	11	12	16	17	16
4. Real estate and equipment	28	28	31	32	32	34	36	38	39	40	39	41	42
5. Other assets	12	13	13	18	18	17	18	18	20	19	20	20	23
Total assets ¹	1,779	1,839	1,894	2,088	2,205	2,293	2,321	2,541	2,656	2,692	2,789	3,087	3,277
Liabilities													
11. Demand deposits and demand certificates (a) Chequable ²	} 612	588	610	381	406	432	451	441	462	475	506	515	567

¹ Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

¹ Breakdown between chequable and non-chequable accounts was not available prior to 1963.

TABLE 3. Sales Finance and Consumer Loan Companies
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1962			1963				1964				1965	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q ⁵
	millions of dollars												
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits.....	22	26	28	19	27	26	27	38	36	40	43	41	41
(ii) Cash in other institutions.....				1			4	2	1	3	2	11	
(b) In foreign currency		1	1	8	8	7	8	9	11	13	13	14	14
2. Accounts and notes receivable*.....	2,225	2,205	2,365	2,457	2,595	2,567	2,751	2,901	3,130	3,085	3,202	3,367	3,602
3. Other current assets.....	4	4	4	4	4	4	5	6	6	8	10	6	7
4. Investments and advances:													
(a) Investments in Canadian securities:													
(i) Short-term notes of finance and other companies.....	17	13	16	10	16	7	7	8	5	7		12	14
(ii) Government of Canada treasury bills	18	19	17	20	14	14	5	6	11	13	6	11	17
(iii) Other Government of Canada debt.....	16	35	42	34	29	6	18	13	27	29	9	16	9
(iv) Other Canadian bonds and debentures	17	13	9	26	25	69	43	53	58	38	59	60	58
(v) Other Canadian investments	5	8	6	10	12	16	15	20	23	16	11	18	17
(b) Investments in Canadian preferred and common stocks.....	5	5	10	13	11	12	13	13	27	23	15	13	15
(c) Investments in foreign securities.....	28	4			1	1	4	1	1		1	1	1
(d) Investments in subsidiary and associated companies.....	172	197	195	211	229	221	252	266	218	267	273	276	242
5. Property, plant and equipment	16	16	16	17	18	18	18	23	32	32	31	34	33
6. Other assets	15	16	18	17	17	17	20	22	24	24	25	33	34
Total assets	2,560	2,561	2,726	2,849	3,005	2,986	3,191	3,382	3,610	3,597	3,700	3,912	4,105⁵
Liabilities													
11. Owing parent and associated companies	434	417	464	463	480	460	486	488	444	449	452	495	619
12. Short-term loans and notes payable:													
(a) Bank loans and overdrafts.....	233	198	212	192	194	190	259	230	244	204	234	213	307
(b) Demand and short-term notes payable (Canadian dollars).....	540	570	582	694	714	694	744	887	1,042	908	871	981	993
(c) Demand and short-term notes payable (foreign currency) ¹	39	38	88	78	102	105	113	159	181	255	279	261	189
(d) Other short-term loans payable	2	2	2	2	2	2	2	2	3	1	3	16	2
13. Accounts payable:													
(a) Income and other taxes payable	19	19	17	20	20	24	22	24	23	26	22	25	16
(b) Other payables	34	30	30	32	44	34	38	46	53	63	61	69	87
14. Other current liabilities:													
(a) Dealers' credit balances	45	46	43	43	45	47	45	44	47	48	46	44	47
(b) Other current liabilities.....	3	4	4	4	4	5	5	5	6	7	7	7	7
15. Long-term debt:													
(a) Debentures, bonds and notes (Canadian dollars) ²	712	723	758	566	584	609	622	627	638	682	735	768	831
(b) Debentures, bonds and notes (foreign currency) ² ..				210	240	225	243	249	265	269	289	308	273
(c) Mortgages and other long-term debt				3	3	4	4	3	6	6	6	6	8
16. Other liabilities:													
(a) Unearned income and other deferred credits.....	150	157	159	159	174	179	183	183	204	213	217	217	228
(b) Pensions, trust or earmarked funds	1	1		1	1	1	1	1	1	1	1	1	3
(c) Interest of minority shareholders	1	1	1	1	1	1	1	2	2	2	1	2	
Shareholders' equity													
20. Paid-in capital	206	208	223	234	246	248	261	259	272	275	286	305	307
21. Retained income	139	145	140	147	151	159	163	173	178	187	190	195	188
Total liabilities and shareholders' equity	2,560	2,561	2,726	2,849	3,005	2,986	3,191	3,382	3,610	3,597	3,700	3,912	4,105⁵
* Footnote:													
(a) Specified receivables: ³													
Sales finance companies:													
Consumer goods	782	798	801	799	865	878	874	886	962	987	967	958	1,029
Commercial and industrial goods	423	445	440	448	490	514	520	513	555	579	582	580	629
Wholesale goods	237	143	240	305	279	174	301	415	408	243	257	368	408
Totals	1,442	1,386	1,481	1,552	1,634	1,566	1,695	1,814	1,925	1,809	1,806	1,906	2,066
Consumer loan companies:													
Installment credit.....	42	49	52	51	53	55	55	46	49	52	54	57	63
Cash loans.....	604	631	662	675	709	729	755	750	787	812	847	865	908
Totals	646	680	714	726	762	784	810	796	836	864	901	922	971
(b) Other receivables ⁴	174	176	208	218	241	261	288	336	417	461	545	592	623
Total receivables	2,262	2,242	2,403	2,496	2,637	2,611	2,793	2,946	3,178	3,134	3,252	3,420	3,660
Allowance for bad debts	- 37	- 37	- 38	- 39	- 42	- 44	- 42	- 45	- 48	- 49	- 50	- 53	- 58
Total receivables (net)	2,225	2,205	2,365	2,457	2,595	2,567	2,751	2,901	3,130	3,085	3,202	3,367	3,602

¹ Includes foreign bank loans.

² Breakdown between Canadian and foreign debt was not available prior to 1963.

³ Detail of "Specified Receivables" is taken from DBS publication, *Credit Statistics* (Catalogue No. 61-004).

⁴ "Other Receivables" includes capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities and sampling errors.

⁵ Includes outstanding liabilities in default of one company which went into receivership and also reflects the reorganization of a company with its U.S. parent.

TABLE 4. Mutual Funds
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1963			1964				1965	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
millions of dollars									
Assets									
1. Cash on hand and on deposit:									
(a) Canadian dollars:									
(i) Cash and bank deposits	10	11	9	10	16	17	18	24	23
(ii) Cash in other institutions	3	3	1	3	3	2	5	3	5
(b) Foreign currency	1	3	2	2	2	2	2	1	2
2. Short-term notes and bills:									
(a) Government of Canada treasury bills	4	4	4	4	4	4	4	2	3
(b) Canadian short-term notes of finance and other companies	4	7	5	3	10	39	43	48	32
(c) Foreign short-term notes	1				1	3	1	3	1
3. Interest and dividends due and accrued	5	5	6	6	7	6	7	7	8
4. Amount due from brokers and other current assets	3	6	5	8	5	10	7	14	12
5. Portfolio at cost (see also Table 4 A):									
(a) Investments in Canadian bonds:									
(i) Government of Canada debt	60	58	58	58	64	65	68	72	64
(ii) Provincial and municipal debt	29	28	31	31	28	32	42	53	54
(iii) Corporate bonds and debentures	36	38	40	45	41	41	44	56	62
(iv) Mortgages and agreements of sale	5	6	6	7	9	10	12	12	12
(v) Other Canadian investments	3	3	11	19	27	5	9	13	10
(b) Investments in Canadian stocks:									
(i) Preferred shares	53	60	64	67	71	71	72	78	91
(ii) Common shares	500	507	518	530	551	578	623	666	731
(c) Investments in foreign securities:									
(i) Bonds, debentures, mortgages, etc.	2	2	10	10	6	4	5	5	4
(ii) Preferred and common shares	144	152	151	152	162	171	178	206	245
Total portfolio at cost	832	854	889	919	959	977	1,053	1,161	1,273
(d) Investments in subsidiary companies									
6. Property, buildings and equipment									
7. Other assets									
8. Total assets at cost	863	894	920	956	1,006	1,060	1,140	1,263	1,357
Liabilities									
11. Short-term loans:									
(a) Bank loans in Canadian currency	1	3	2	1	2	1	1	1	1
(b) Other loans payable						1	1	1	1
12. Accounts payable:									
(a) Income and other taxes payable	1	1	1	1	1	1	1	1	1
(b) Amount due brokers and other payables	5	11	6	6	9	11	10	27	19
13. Long-term debt	1	1	1	1	1	1	1	1	1
14. Other liabilities	1			1		1			1
Shareholders' equity									
20. Paid-in capital	795	820	845	873	914	963	1,040	1,133	1,215
21. Reserves:									
(a) Investment reserves	5	5	6	7	6	7	7	8	9
(b) Other reserves									1
22. Retained income	54	53	60	66	73	75	79	91	110
Total liabilities and shareholders' equity	863	894	920	956	1,006	1,060	1,140	1,263	1,357

TABLE 4 A. Investment Portfolio at Market Value

	1963			1964				1965	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
millions of dollars									
1. Portfolio:									
(a) Investments in Canadian bonds:									
(i) Government of Canada debt	61	58	58	58	64	65	69	73	64
(ii) Provincial and municipal debt	29	28	30	31	28	32	42	53	54
(iii) Corporate bonds and debentures	37	40	42	47	45	41	44	57	62
(iv) Mortgages and agreements of sale	5	6	7	7	9	10	12	12	12
(v) Other Canadian investments	3	4	11	20	28	5	9	13	10
(b) Investments in Canadian stocks:									
(i) Preferred shares	55	62	67	70	75	75	76	80	92
(ii) Common shares	637	650	676	716	779	843	891	972	981
(c) Investments in foreign securities:									
(i) Bonds, debentures, mortgages, etc.	2	2	10	10	6	4	5	5	4
(ii) Preferred and common shares	169	178	183	192	205	220	227	263	287
Total portfolio at market	998	1,028	1,084	1,151	1,239	1,295	1,375	1,528	1,566
2. Total portfolio at cost (Item 5 - Table 4)	832	854	889	919	959	977	1,053	1,161	1,273
3. Unrealized appreciation (Item 1 minus 2)	166	174	195	232	280	318	322	367	293
TOTAL ASSETS AT MARKET PRICES (Item 8 - Table 4 plus item 3 - Table 4 A)	1,029	1,068	1,115	1,188	1,286	1,378	1,462	1,630	1,650

TABLE 5. Closed-end Funds
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1963			1964				1965	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	millions of dollars								
Assets									
1. Cash on hand and on deposit:									
(a) Canadian dollars:									
(i) Cash and bank deposits	1	2	1	2	1	1	2	2	2
(ii) Cash in other institutions		1	1	1	1	3	2	3	2
(b) Foreign currency									
2. Short-term notes and bills:									
(a) Government of Canada treasury bills	1								2
(b) Canadian short-term notes of finance and other companies	8	3	3	1	2	6	4	20	9
(c) Foreign short-term notes									
3. Interest and dividends due and accrued	1	1	1	1	1	1	1	1	1
4. Amount due from brokers and other current assets	1	1	2	1	2	2	2	2	1
5. Portfolio at cost (see also Table 5 A):									
(a) Investments in Canadian bonds:									
(i) Government of Canada debt	7	7	5	4	3	4	5	6	7
(ii) Provincial and municipal debt	1	1	1			1	1	1	1
(iii) Corporate bonds and debentures	15	16	13	14	11	8	8	7	10
(iv) Mortgages and agreements of sale									1
(v) Other Canadian investments	7	10	10	60	61	61	60	60	58
(b) Investments in Canadian stocks:									
(i) Preferred shares	37	44	29	34	34	33	33	32	33
(ii) Common shares	269	299	314	275	275	287	295	309	309
(c) Investments in foreign securities:									
(i) Bonds, debentures, mortgages, etc.		1							1
(ii) Preferred and common shares	11	11	13	15	15	15	15	17	19
Total portfolio at cost	347	389	385	402	399	409	417	432	439
(d) Investments in subsidiary companies	14	11	11	11	11	11	11	11	14
6. Property, buildings and equipment									
7. Other assets	1	2	2	2	1	1	1	2	2
8. Total assets at cost	375	409	406	421	418	437	442	474	471
Liabilities									
11. Short-term loans:									
(a) Bank loans in Canadian currency	1	30	19	25	2	2	5		6
(b) Other loans payable	1	1	1	1	15	24	24	43	4
12. Accounts payable:									
(a) Income and other taxes payable	3	2	2	3	2	3	2	3	3
(b) Amount due brokers and other payables									
13. Long-term debt	32	32	32	32	32	32	32	32	31
14. Other liabilities	1	1	1	1	1	1	1	1	1
Shareholders' equity									
20. Paid-in capital	195	199	201	201	202	205	205	208	228
21. Reserves:									
(a) Investment reserves	96	97	102	109	114	117	119	131	136
(b) Other reserves	1								
22. Retained income	46	47	48	49	51	54	54	55	63
Total liabilities and shareholders' equity	375	409	406	421	418	437	442	474	471

TABLE 5 A. Investment Portfolio at Market Value

	1963			1964				1965	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	millions of dollars								
1. Portfolio:									
(a) Investments in Canadian bonds:									
(i) Government of Canada debt	7	7	5	4	3	4	5	6	7
(ii) Provincial and municipal debt	1	1	1			1	1	1	1
(iii) Corporate bonds and debentures	18	20	17	18	14	8	8	8	10
(iv) Mortgages and agreements of sale									
(v) Other Canadian investments	7	10	10	60	61	61	60	60	58
(b) Investments in Canadian stocks:									
(i) Preferred shares	46	56	37	43	45	47	47	48	48
(ii) Common shares	444	477	505	491	558	591	608	650	623
(c) Investments in foreign securities:									
(i) Bonds, debentures, mortgages, etc.		1							1
(ii) Preferred and common shares	17	17	19	21	22	22	21	23	23
Total portfolio at market	540	589	594	637	703	734	750	796	771
2. Total portfolio at cost (Item 5 - Table 5)	347	389	385	402	399	409	417	432	439
3. Unrealized appreciation (Item 8 - Table 5 plus item 3 - Table 5 A)....	193	200	209	235	304	325	333	364	332
TOTAL ASSETS AT MARKET PRICES (Item 8 - Table 5 plus item 3 - Table 5 A)....	568	609	615	656	722	762	775	838	803

TABLE 6. Investment Dealers
Quarterly Estimates of Selected Balance Sheet Items

	1962		1963				1964				1965	
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
millions of dollars												
Selected assets												
Cash on hand and on deposit:												
(a) In Canadian dollars:												
(i) Cash and bank deposits	20	19	15	15	17	12	10	16	21	23	28	49
(ii) Cash in other institutions	5	6	12	9	10	8	7	7	2	55	35	2
(b) In foreign currency												
Securities owned or managed at book value: ¹												
(a) Investments in Canadian securities:												
(i) Short-term notes of finance companies, commercial paper and bankers' acceptances	21	22	32	45	46	66	84	105	150	162	146	136
(ii) Government of Canada treasury bills	96	159	94	165	163	187	105	115	116	126	78	117
(iii) Other Government of Canada debt:												
(a) Term less than 3 years	142	202	175	93	102	149	99	120	160	60	84	78
(b) Term over 3 years	50	54	28	45	23	12	15	33	24	40	63	5
(iv) Provincial government debt	28	68	38	42	32	46	37	44	56	49	69	41
(v) Municipal government debt	14	15	18	28	16	24	37	27	33	22	28	21
(vi) Corporation and institution bonds	40	47	34	48	46	52	42	38	38	49	50	53
(vii) Preferred and common stock ²	14	19	20	15	15	13	24	20	17	25	27	28
(viii) Other investments ²			2	6	3					3	5	6
(b) Investments in foreign securities			1	1		1	3	1	1	2	2	2
(c) Short-term loans from subsidiary and associated companies	6	2	8	7	10	3	7	4	3	3	4	1
Total selected assets	437	615	476	518	484	573	470	531	621	619	619	540
Short-term loans and notes payable:												
(a) Bank loans and overdrafts in Canadian currency	224	383	215	230	209	373	221	267	318	335	295	326
(b) Short-term loans from subsidiary and associated companies	6	9	5	6	7	11	8	7	9	10	7	6
(c) Other loans and notes, excluding buy-backs	153	185	235	266	201	184	196	229	240	243	300	207
Total selected liabilities	382	577	456	501	417	567	426	503	567	588	602	539
Total securities outstanding under buy-back agreements	70	50	91	131	110	112	114	188	107	201	189	236

¹ Net of short positions and excluding securities outstanding under buy-back agreements.

² Excluding investments in and loans and advances to subsidiary and associated companies.

CONTENT OF GROUPS

Trust Companies

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate, trust and agency funds and other financial activities permitted under the federal and provincial trust companies acts.

The balance sheet data shown for this group includes both company funds (shareholders' equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

Mortgage Loan Companies

This group consists of those companies which raise funds from the public (directly or through publicly owned parent companies) primarily for mortgage lending. It includes all companies incorporated under the Dominion Loan Companies Act, savings certificate companies and other institutional lenders engaged principally in mortgage lending. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail level. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages on the goods purchased. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both sales financing and loan activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies, it was decided to include both sales finance and consumer loan companies in one table.

Sales finance companies which are wholly-owned subsidiaries of merchandising and manufacturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies, and companies lending to home owners for home improvements. Insofar as possible, the companies in this group are the same as those covered in the DBS publication,

Credit Statistics. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in *Credit Statistics* and in this publication.

Mutual Funds

This group includes those firms which have their major assets invested in a portfolio of various types of securities and in which the public may purchase any desired number of shares at a price fixed in relationship to net asset value, and redeem any number of shares held at net asset value. Because the number of outstanding shares constantly changes with purchases and redemptions of shares by each individual investor, the companies in this group are also referred to as open-end funds.

Included in this survey are those companies whose shares are available to the public through the companies' own salesmen or agents, or through stock brokers, trust companies or other managers of funds. Excluded are those funds set up to operate a pension plan, non-resident owned funds in which the Canadian public cannot purchase shares, funds which invest only in the shares of other mutual funds, investment clubs, and other investment companies the shares of which are not available to the general public.

Closed-end Funds

The main difference between this group and the mutual funds is the fact that shares of closed-end companies are not redeemable by the company at net asset value. Share capital is set up as in an ordinary limited corporation. Once the shares have been offered to the public, the number of outstanding shares remains constant. Shares of such corporations may be purchased only from existing holders and owners of such shares must find a buyer if they wish to sell their shares. Such companies are called closed-end funds to distinguish them from the mutual funds or open-end funds.

Closed-end funds have a common feature with mutual funds in that their major assets consist of investments in securities. Investment policies and objectives of many of the closed-end funds are also similar to those of the mutual funds. However, when an investment corporation exists primarily to gain control and provide management it is excluded from the totals and will be included in another group. Because of the various degrees between these two objectives—investment or control—and also because objectives often change, it is difficult to precisely define this group. We have, therefore, closely followed the group of closed-end funds found in the Financial Post Survey of Investment Funds. The user of these data is warned however, that reclassification into or out of this industry of few companies could change drastically the published totals.

Investment Dealers

This group includes firms which act as principals in the underwriting and trading of securities. Stock-brokers and, where possible, the brokerage business of investment dealers are excluded. Where investment dealers do not maintain separate accounts for their brokerage business, total operations of the firm are included but the effect on the data is believed to be small.

DEFINITION OF ITEMS

Noted below are items where special problems of interpretation may exist.

A. Trust Companies and Mortgage Loan Companies

Item 3—Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short-term securities such as United States treasury bills.

Item 11—Demand deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

Item 12—Term deposits, guaranteed investment certificates, instalment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

Item 21—General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

Item 30—Net payables and retained income

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained,

Investment dealers do not report all balance sheet items, and total reported assets therefore do not equal total reported liabilities. Shareholders' equity, certain types of receivables and minor asset and liability items are not reported. The omission of these receivables is the largest single cause of difference between total reported assets and total reported liabilities.

and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

B. Sales Finance and Consumer Loan Companies

Item 2—Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication, *Credit Statistics* contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in *Credit Statistics*. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

Item 11—Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from those parent companies. Since these loans are inter-company transactions they are eliminated when consolidated reports are filed. This item would therefore be larger if non-consolidated reports were received from all companies.

Item 13—Short-term loans and notes payable

Demand and short-term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either directly or through investment dealers, to corporations, governments, foreign buyers and persons with short-term funds to invest, and are one of the major money-market instruments.

Item 15—Dealers' credit balances

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily withholds part of the purchase price. This item represents the total amount so withheld.

Item 17 - Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

C. Mutual Funds and Closed-end Funds

Item 5 - Investment Portfolio

Investment in securities represents the major assets for these groups. There is a particular interest in the market value of the portfolio since the price of mutual fund shares depends directly on this value. The price of closed-end fund shares also has a close relationship to the market value of the portfolio. For this survey, therefore, the portfolio is shown at both cost price and market value.

Item 21 - Paid-in capital

Included in this item are all the contributions made by shareholders including share capital, capital or paid-in surplus, capital redemption reserves, etc.

Item 24 - Unrealized appreciation

This item is the difference between the value of the portfolio at market price and its cost price.

D. Investment Dealers

Item 1 - Cash on hand and on deposit

Included in this item are demand and term deposits with banks and other institutions. Short term notes of chartered banks and guaranteed investment certificates are also included, as are foreign currency and swapped deposits.

Item 2 - Securities owned or managed by the firm

The major assets of investment dealers are various types of securities. Since the accounting practices of investment dealers often differ from the practices of other types of firms in respect to security accounts, dealers are requested to report their securities in the following manner:

- (1) Securities should be reported at book value.
- (2) Securities outstanding under buy-back agreements should be excluded. This avoids duplication, since the owner of the securities is requested to report them.

- (3) Securities held under sell-back agreements should be included. This follows the rule that the owner should report the securities.
- (4) Short positions should be deducted from long positions.
- (5) Securities sold on an "if, as and when" basis should be omitted.
- (6) Borrowed securities should not be included in reported inventory.
- (7) The accounting of security transactions may differ at any specific point in time, depending on which accounting basis is employed.

By using:

- (a) **Trade date** - securities are entered on the accounts on the date that a buy or sell agreement or commitment was made.
- (b) **Value date** - securities are entered on the accounts on the date that settlement of the transactions was due.
- (c) **Delivery date** - securities are entered on the accounts on the date that delivery of the securities took place.

Generally, value and delivery dates coincide. Since financial institutions usually use the delivered date for accounting purposes, investment dealers are requested to use delivery date as well for reporting inventories of securities to DBS in order to have the securities counted in the statistics.

Item 3 - Short term loans and notes payable

3(a) includes short term and day-to-day loans from chartered banks in Canadian currency. Loans from subsidiary and affiliated companies are reported in 3(b), and all other loans, excluding buy-backs, are reported in 3(c).

Item 4 - Securities outstanding under buy-back agreements

Investment dealers raise funds through buy-back (re-purchase) agreements with various financial institutions, non-financial corporations and government agencies. Dealers generally regard the transactions as loans, but since the other parties to this type of transaction treat the securities as owned, dealers have been requested to exclude buy-backs from borrowing and to exclude the underlying securities from inventory reported. The amount of securities outstanding under these buy-back agreements is reported in Item 4.

QUALITY AND COVERAGE OF THE ESTIMATES

As a result of full cooperation by the surveyed corporations and the relatively small number of companies in each of the published groups, coverage in terms of assets is very high for each of the groups in this publication. The estimates for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting

practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

Where available, the tables will carry figures for the thirteen most recent quarters. The figures are published in one million dollar amounts.

OTHER SOURCES OF FINANCIAL INFORMATION

Included among the more valuable sources of background information are:

Report of the Royal Commission on Banking and Finance, 1964

The Financing of Economic Activity in Canada, by Wm. C. Hood, for the Royal Commission on Canada's Economic Prospects

Additional financial statistics on the companies and industries included in this report are available in the following publications:

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual)

Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual)

Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue *Taxation Statistics* (annual)

Bank of Canada *Statistical Summary* (monthly)

Dominion Bureau of Statistics *Credit Statistics* (monthly)

Financial Post *Survey of Industrials* (annual)

Financial Post *Survey of Investment Funds* (annual)

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BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions

THIRD QUARTER, 1965



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BUSINESS FINANCIAL STATISTICS

BALANCE SHEETS

Selected Financial Institutions

THIRD QUARTER 1965

INTRODUCTION

The present publication contains the balance sheets for trust companies, mortgage loan companies, sales finance and consumer loan companies, mutual funds, closed-end funds, and investment dealers. As information becomes available, the published tables will be expanded to include insurance carriers, credit unions and caisses populaires, other companies in the finance, insurance and real estate industry, and non-financial corporations.

The quarterly survey was started on the recommendation of the Interdepartmental Committee on Financial Statistics, which represents several government departments and the Bank of Canada. The Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time. This corporation information will be combined with data from other parts of the economy to give a comprehensive picture of the financing of economic activity.

Although quarterly (or more frequent) data have been available for some time in areas such as banking, quarterly data for the groups in this report are new, and problems in interpreting the results may occur. For example, seasonal factors affect loans by sales finance companies, and short term commercial paper held by trust companies. Until more experience has been obtained so that deseasonalized totals can be published, each quarter's results should be related to several previous quarters. There will also be discontinuities caused by reorganisations, mergers, reclassification of companies into and out of the published industries, and other factors.

The published balance sheet material is designed to show estimates of the totals at the end of each quarter. It should be used with caution when changes from one quarter to another are being studied. At a later stage, as financial flows accounts are developed, the corrected quarterly changes will be published by industry.

This publication has been prepared in the Business Finance Division. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

		1962		1963				1964				1965		
		3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
		millions of dollars												
Assets														
1. Cash on hand and on deposit:														
(a) In Canadian dollars:														
(i) Cash and bank deposits		26	46	63	65	45	60	37	45	41	65	45	58	51
(ii) Cash in other institutions		1	1	2	4	4	3	4	2	2	4	4	2	3
(b) In foreign currency		8	7	8	8	4	8	3	9	6	13	1	2	6
3. Investments:														
(a) Investments in Canadian securities:														
(i) Government of Canada treasury bills		10	18	8	5	15	27	15	7	6	17	12	10	5
(ii) Other Government of Canada debt		290	281	284	302	288	291	336	323	339	366	372	370	367
(iii) Provincial government debt		131	136	145	164	160	154	166	162	155	163	188	196	179
(iv) Municipal government debt		87	94	105	109	115	114	126	129	124	129	139	136	128
(v) Short-term notes of finance and other companies		159	122	201	205	218	108	234	261	225	152	303	340	255
(vi) Corporation and institution bonds		132	140	156	172	188	196	207	207	210	214	210	241	247
(vii) Mortgage loans and sales agreements		810	845	900	968	1,039	1,103	1,175	1,259	1,340	1,422	1,515	1,656	1,806
(viii) Collateral loans		70	83	77	74	86	123	96	106	102	96	145	99	104
(b) Investments in Canadian preferred and common stocks		60	63	75	67	66	65	68	71	65	68	68	77	76
(c) Investments in foreign securities		6	6	6	4	4	4	8	4	4	6	7	7	7
(d) Investments in subsidiary and associated companies		8	9	8	9	10	10	10	11	12	16	17	16	18
4. Real estate and equipment		28	31	32	32	34	36	38	39	40	39	41	42	42
5. Other assets		13	13	18	18	17	18	18	20	19	20	20	23	22
Total assets ¹		1,839	1,894	2,088	2,205	2,293	2,321	2,541	2,656	2,692	2,789	3,087	3,277	3,316
Liabilities														
11. Demand deposits and demand certificates (a) Chequable ²		588	610	381	406	432	451	441	462	475	506	515	567	549
(b) Non-chequable ²				275	307	357	368	446	464	487	544	554	580	557
12. Term deposits, guaranteed investment certificates, instalment certificates and debentures		1,040	1,094	1,203	1,254	1,278	1,279	1,405	1,462	1,447	1,478	1,710	1,798	1,874
13. Short-term loans and notes payable:														
(a) Bank loans and overdrafts		10	2	3	3	3	2	2	4	8	5	5	7	10
(b) Other loans and notes payable		27	7	36	42	24	17	25	37	36	11	47	66	55
15. Other liabilities		3	2	5	4	4	4	4	4	5	5	7	4	5
Shareholders' equity														
20. General, investment and special reserves		93	102	105	106	108	115	118	123	126	134	135	139	142
21. Paid-in capital		60	62	66	66	68	71	76	80	83	84	88	89	92
30. Net accruals, payables and retained income ¹		18	14	14	16	19	15	24	21	25	22	27	26	31
Total liabilities and shareholders' equity ¹		1,839	1,894	2,088	2,205	2,293	2,321	2,541	2,656	2,692	2,789	3,087	3,277	3,316

¹ Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

² Breakdown between chequable and non-chequable accounts was not available prior to 1963.

Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1962		1963				1964				1965		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
millions of dollars													
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	17	23	14	15	15	17	21	19	67	52	37	41	38
(ii) Cash in other institutions	4	5	3	3	3	3	6	10	9	12	8	8	5
(b) In foreign currency													
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills	3	2	2	4	1	3	2	12	7	3	8	5	11
(ii) Other Government of Canada debt	89	91	103	119	122	104	102	103	118	117	124	116	102
(iii) Provincial government debt	31	31	35	36	38	35	37	41	41	42	44	46	44
(iv) Municipal government debt	8	8	7	7	8	8	8	9	9	11	10	10	10
(v) Short-term notes of finance and other companies	8	4	17	7	4	4	6	6	11	7	12	3	5
(vi) Corporation and institution bonds	14	14	18	20	20	25	24	24	26	26	33	28	27
(vii) Mortgage loans and sales agreements	946	989	1,029	1,078	1,140	1,188	1,242	1,314	1,387	1,469	1,575	1,676	1,790
(viii) Collateral loans	22	18	15	12	12	13	12	10	11	13	10	10	12
(b) Investments in Canadian preferred and common stocks	37	38	43	45	49	52	51	54	56	56	56	61	59
(c) Investments in foreign securities	6	6	11	7	4	4	14	7	4	4	4	4	4
(d) Investments in subsidiary and associated companies	34	36	40	41	41	43	43	44	44	45	204 ^a	201 ^a	206 ^a
4. Real estate and equipment	26	28	31	33	33	36	36	37	40	42	44	44	49
5. Other assets	7	7	9	8	8	8	12	13	10	9	12	18	19
Total assets ¹	1,253	1,300	1,378	1,436	1,497	1,544	1,615	1,702	1,841	1,908	2,178	2,271	2,380
Liabilities													
11. Demand deposits and demand certificates (a) Chequable ²	} 203	205	131	138	143	139	142	147	149	154	151	157	160

¹ Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

² Breakdown between chequable and non-chequable accounts was not available prior to 1963.

³ Consists mainly of long-term debentures and notes.

⁴ These items are affected by changes in inter-company accounts of affiliated companies.

TABLE 3. Sales Finance and Consumer Loan Companies
 Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1962		1963				1964				1965		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q ^{3,6}	3Q ⁵
millions of dollars													
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	26	28	19	27	26	27	38	36	40	43	41	41	33
(ii) Cash in other institutions			1			4	2	1	3	2	11		1
(b) In foreign currency	1	1	8	8	7	8	9	11	13	13	14	14	24
2. Accounts and notes receivable*	2,205	2,365	2,457	2,595	2,567	2,751	2,901	3,130	3,085	3,202	3,367	3,602	3,535
3. Other current assets	4	4	4	4	4	5	6	6	8	10	6	7	6
4. Investments and advances:													
(a) Investments in Canadian securities:													
(i) Short-term notes of finance and other companies	13	16	10	16	7	7	8	5	7		12	14	11
(ii) Government of Canada treasury bills	19	17	20	14	14	5	6	11	13	6	11	17	12
(iii) Other Government of Canada debt	35	42	34	29	6	18	13	27	29	9	16	9	17
(iv) Other Canadian bonds and debentures	13	9	26	25	69	43	53	58	38	59	60	58	23
(v) Other Canadian investments	8	6	10	12	16	15	20	23	16	11	18	17	28
(b) Investments in Canadian preferred and common stocks	5	10	13	11	12	13	13	27	23	15	13	15	15
(c) Investments in foreign securities	4			1	1	4	1	1		1	1	1	1
(d) Investments in subsidiary and associated companies	197	195	211	229	221	252	266	218	267	273	276	242	268
5. Property, plant and equipment	16	16	17	18	18	18	23	32	32	31	34	33	36
6. Other assets	16	18	17	17	17	20	22	24	24	25	33	34	34
Total assets	2,561	2,726	2,849	3,005	2,986	3,191	3,382	3,610	3,597	3,700	3,912	4,105^{5,6}	4,045⁵
Liabilities													
11. Owning parent and associated companies	417	464	463	480	460	486	488	444	449	452	495	619	600
12. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	198	212	192	194	190	259	230	244	204	234	213	307	393
(b) Demand and short-term notes payable (Canadian dollars)	570	582	694	714	694	744	887	1,042	908	871	981	993	839
(c) Demand and short-term notes payable (foreign currency) ¹	38	88	78	102	105	113	159	181	255	279	261	189	216
(d) Other short-term loans payable	2	2	2	2	2	2	2	3	1	3	16	2	2
13. Accounts payable:													
(a) Income and other taxes payable	19	17	20	20	24	22	24	23	26	22	25	16	20
(b) Other payables	30	30	32	44	34	38	46	53	63	61	69	87	65
14. Other current liabilities:													
(a) Dealers' credit balances	46	43	43	45	47	45	44	47	48	46	44	47	50
(b) Other current liabilities	4	4	4	4	5	5	5	6	7	7	7	7	5
15. Long-term debt:													
(a) Debentures, bonds and notes (Canadian dollars) ²	723	758	566	584	609	622	627	638	682	735	768	831	844
(b) Debentures, bonds and notes (foreign currency) ³			210	240	225	243	249	265	269	289	308	273	253
(c) Mortgages and other long-term debt			3	3	4	4	3	6	6	6	6	8	9
16. Other liabilities:													
(a) Unearned income and other deferred credits	157	159	159	174	179	183	183	204	213	217	217	228	239
(b) Pensions, trust or earmarked funds	1		1	1	1	1	1	1	1	1	1	3	3
(c) Interest of minority shareholders	1	1	1	1	1	1	2	2	2	1	2		
Shareholders' equity													
20. Paid-in capital	208	223	234	246	248	261	259	272	275	286	305	307	313
21. Retained income	145	140	147	151	159	163	173	178	187	190	195	188	195
Total liabilities and shareholders' equity	2,561	2,726	2,849	3,005	2,986	3,191	3,382	3,610	3,597	3,700	3,912	4,105^{5,6}	4,045⁵
* Footnote:													
(a) Specified receivables ³													
Sales finance companies:													
Consumer goods	798	801	799	865	878	874	903	996	1,038	1,035	1,023	1,099	1,136
Commercial and industrial goods	445	440	448	490	514	520	514	557	582	586	583	634	655
Wholesale goods	143	240	305	279	174	301	418	413	251	268	383	423	278
Totals	1,386	1,481	1,552	1,634	1,566	1,695	1,835	1,966	1,871	1,889	1,989	2,156	2,069
Consumer loan companies:													
Instalment credit	49	52	51	53	55	55	47	49	52	54	57	63	65
Cash loans	631	662	675	709	729	755	751	788	814	850	868	912	929
Totals	680	714	726	762	784	810	798	837	866	904	925	975	994
(b) Other receivables ⁴	176	208	218	241	261	288	313	375	397	459	506	529	532
Total receivables	2,242	2,403	2,496	2,637	2,611	2,793	2,946	3,178	3,134	3,252	3,420	3,660	3,595
All-Canada for bad debts	- 37	- 38	- 39	- 42	- 44	- 42	- 45	- 48	- 49	- 50	- 53	- 58	- 61
Total receivables (net)	2,205	2,365	2,457	2,595	2,567	2,751	2,901	3,130	3,085	3,202	3,367	3,602	3,534

¹ Includes some foreign bank loans prior to second quarter, 1965.

² Breakdown between Canadian and foreign debt was not available prior to 1963.

³ Detail of "Specified Receivables" is taken from DBS publication, *Credit Statistics* (Catalogue No. 61-004). Figures for 1964/65 are revised in this publication.

⁴ "Other Receivables" includes capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities and sampling errors.

⁵ Includes outstanding liabilities in default of one company which went into receivership.

⁶ Reflects the reorganization of a company with its U.S. parent.

TABLE 4. Mutual Funds
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1963			1964				1965		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Assets										
millions of dollars										
1. Cash on hand and on deposit:										
(a) Canadian dollars:										
(i) Cash and bank deposits	10	11	9	10	16	17	18	24	23	24
(ii) Cash in other institutions	3	3	1	3	3	2	5	3	5	7
(b) Foreign currency	1	3	2	2	2	2	2	1	2	4
2. Short-term notes and bills:										
(a) Government of Canada treasury bills	4	4	4	4	4	4	4	2	3	1
(b) Canadian short-term notes of finance and other companies	4	7	5	3	10	39	43	48	32	38
(c) Foreign short-term notes	1				1	3	1	3	1	2
3. Interest and dividends due and accrued	5	5	6	6	7	6	7	7	8	9
4. Amount due from brokers and other current assets	3	6	5	8	5	10	7	14	12	9
5. Portfolio at cost (see also Table 4 A):										
(a) Investments in Canadian bonds:										
(i) Government of Canada debt	60	58	58	58	64	65	68	72	64	69
(ii) Provincial and municipal debt	29	28	31	31	28	32	42	53	54	49
(iii) Corporate bonds and debentures	36	38	40	45	41	41	44	56	62	62
(iv) Mortgages and agreements of sale	5	6	6	7	9	10	12	12	12	12
(v) Other Canadian investments	3	3	11	19	27	5	9	13	10	19
(b) Investments in Canadian stocks:										
(i) Preferred shares	53	60	64	67	71	71	72	78	91	107
(ii) Common shares	500	507	518	530	551	578	623	666	731	745
(c) Investments in foreign securities:										
(i) Bonds, debentures, mortgages, etc.	2	2	10	10	6	4	5	5	4	4
(ii) Preferred and common shares	144	152	151	152	162	171	178	206	245	275
Total portfolio at cost	832	854	889	919	959	977	1,053	1,161	1,273	1,342
(d) Investments in subsidiary companies										
6. Property, buildings and equipment										
7. Other assets										
8. Total assets at cost	863	894	920	956	1,006	1,060	1,140	1,263	1,357	1,436
Liabilities										
11. Short-term loans:										
(a) Bank loans in Canadian currency	1	3	2	1	2	1	1	1	1	1
(b) Other loans payable						1	1	1	1	1
12. Accounts payable:										
(a) Income and other taxes payable	1	1	1	1	1	1	1	1	1	1
(b) Amount due brokers and other payables	5	11	6	6	9	11	10	27	19	12
13. Long-term debt	1	1	1	1	1	1	1	1	1	1
14. Other liabilities	1			1		1			1	1
Shareholders' equity										
20. Paid-in capital	795	820	845	873	914	963	1,040	1,133	1,215	1,296
21. Reserves:										
(a) Investment reserves	5	5	6	7	6	7	7	8	9	11
(b) Other reserves									1	1
22. Retained income	54	53	60	66	73	75	79	91	110	112
Total liabilities and shareholders' equity	863	894	920	956	1,006	1,060	1,140	1,263	1,357	1,436

TABLE 4 A. Investment Portfolio at Market Value

	1963			1964				1965		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
millions of dollars										
1. Portfolio:										
(a) Investments in Canadian bonds:										
(i) Government of Canada debt	61	58	58	58	64	65	69	73	64	69
(ii) Provincial and municipal debt	29	28	30	31	28	32	42	53	54	49
(iii) Corporate bonds and debentures	37	40	42	47	45	41	44	57	62	61
(iv) Mortgages and agreements of sale	5	6	7	7	9	10	12	12	12	12
(v) Other Canadian investments	3	4	11	20	28	5	9	13	10	19
(b) Investments in Canadian stocks:										
(i) Preferred shares	55	62	67	70	75	75	76	80	92	106
(ii) Common shares	637	650	676	716	779	843	891	972	981	1,016
(c) Investments in foreign securities:										
(i) Bonds, debentures, mortgages, etc.	2	2	10	10	6	4	5	5	4	3
(ii) Preferred and common shares	169	178	183	192	205	220	227	263	287	347
Total portfolio at market	998	1,028	1,084	1,151	1,239	1,295	1,375	1,528	1,566	1,682
2. Total portfolio at cost (Item 5 - Table 4)	832	854	889	919	959	977	1,053	1,161	1,273	1,342
3. Unrealized appreciation (Item 1 minus 2)	166	174	195	232	280	318	322	367	293	340
TOTAL ASSETS AT MARKET PRICES (Item 8 - Table 4 plus item 3 - Table 4 A)	1,029	1,068	1,115	1,188	1,286	1,378	1,462	1,630	1,650	1,776

TABLE 5. Closed-end Funds
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1963			1964				1965		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	millions of dollars									
Assets										
1. Cash on hand and on deposit:										
(a) Canadian dollars:										
(i) Cash and bank deposits	1	2	1	2	1	1	2	2	2	2
(ii) Cash in other institutions		1	1	1	1	3	2	3	2	2
(b) Foreign currency										
2. Short-term notes and bills:										
(a) Government of Canada treasury bills	1								2	1
(b) Canadian short-term notes of finance and other companies.....	8	3	3	1	2	6	4	20	9	30
(c) Foreign short-term notes.....										
3. Interest and dividends due and accrued	1	1	1	1	1	1	1	1	1	1
4. Amount due from brokers and other current assets	1	1	2	1	2	2	2	2	1	1
5. Portfolio at cost (see also Table 5A):										
(a) Investments in Canadian bonds:										
(i) Government of Canada debt	7	7	5	4	3	4	5	6	7	6
(ii) Provincial and municipal debt	1	1	1			1	1	1	1	1
(iii) Corporate bonds and debentures	15	16	13	14	11	8	8	7	10	10
(iv) Mortgages and agreements of sale									1	
(v) Other Canadian investments	7	10	10	60	61	61	60	60	58	55
(b) Investments in Canadian stocks:										
(i) Preferred shares	37	44	29	34	34	33	33	32	33	34
(ii) Common shares	269	299	314	275	275	287	295	309	309	316
(c) Investments in foreign securities:										
(i) Bonds, debentures, mortgages, etc.		1							1	1
(ii) Preferred and common shares	11	11	13	15	15	15	15	17	19	24
Total portfolio at cost	347	389	385	402	399	409	417	432	439	447
(d) Investments in subsidiary companies	14	11	11	11	11	11	11	11	14	14
6. Property, buildings and equipment										
7. Other assets	1	2	2	2	1	1	1	2	2	4
8. Total assets at cost	375	409	406	421	418	437	442	474	471	503
Liabilities										
11. Short-term loans:										
(a) Bank loans in Canadian currency	1	30	19	25	2	2	5		6	6
(b) Other loans payable.....	1	1	1	1	15	24	24	43	4	3
12. Accounts payable:										
(a) Income and other taxes payable.....										
(b) Amount due brokers and other payables	3	2	2	3	2	3	2	3	3	4
13. Long-term debt.....	32	32	32	32	32	32	32	32	31	30
14. Other liabilities	1	1	1	1	1	1	1	1	1	1
Shareholders' equity										
20. Paid-in capital	195	199	201	201	202	205	205	208	228	257
21. Reserves:										
(a) Investment reserves	96	97	102	109	114	117	119	131	136	136
(b) Other reserves	1									
22. Retained income.....	46	47	48	49	51	54	54	55	63	64
Total liabilities and shareholders' equity	375	409	406	421	418	437	442	474	471	503

TABLE 5A. Investment Portfolio at Market Value

	1963			1964				1965		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
millions of dollars										
1. Portfolio:										
(a) Investments in Canadian bonds:										
(i) Government of Canada debt.....	7	7	5	4	3	4	5	6	7	6
(ii) Provincial and municipal debt.....	1	1	1			1	1	1	1	1
(iii) Corporate bonds and debentures.....	18	20	17	18	14	8	8	8	10	10
(iv) Mortgages and agreements of sale.....										
(v) Other Canadian investments.....	7	10	10	60	61	61	60	60	58	55
(b) Investments in Canadian stocks:										
(i) Preferred shares.....	46	56	37	43	45	47	47	48	48	45
(ii) Common shares.....	444	477	505	491	558	591	608	650	623	622
(c) Investments in foreign securities:										
(i) Bonds, debentures, mortgages, etc.....		1							1	1
(ii) Preferred and common shares.....	17	17	19	21	22	22	21	23	23	34
Total portfolio at market.....	540	589	594	637	703	734	750	796	771	774
2. Total portfolio at cost (Item 5- Table 5).....	347	389	385	402	399	409	417	432	439	447
3. Unrealized appreciation (Item 1 minus 2).....	193	200	209	235	304	325	333	364	332	327
TOTAL ASSETS AT MARKET PRICES (Item 8- Table 5 plus item 3- Table 5A)	568	609	615	656	722	762	775	838	803	830

TABLE 6. Investment Dealers
Quarterly Estimates of Selected Balance Sheet Items

	1962		1963				1964				1965		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
millions of dollars													
Selected assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	20	19	15	15	17	12	10	16	21	23	28	49	68
(ii) Cash in other institutions	5	6	12	9	10	8	7	7	2	55	35	2	14
(b) In foreign currency													
2. Securities owned or managed at book value: ¹													
(a) Investments in Canadian securities:													
(i) Short-term notes of finance companies, commercial paper and bankers' acceptances	21	22	32	45	46	66	84	105	150	162	146	136	132
(ii) Government of Canada treasury bills	96	159	94	165	163	187	105	115	116	126	78	117	75
(iii) Other Government of Canada debt:													
(a) Term less than 3 years	142	202	175	93	102	149	99	120	160	60	84	78	82
(b) Term over 3 years	50	54	28	45	23	12	15	33	24	40	63	5	67
(iv) Provincial government debt	28	68	38	42	32	46	37	44	56	49	69	41	49
(v) Municipal government debt	14	15	18	28	16	24	37	27	33	22	28	21	20
(vi) Corporation and institution bonds	40	47	34	48	46	52	42	38	38	49	50	53	45
(vii) Preferred and common stock ²	14	19	20	15	15	13	24	20	17	25	27	28	17
(viii) Other investments ²			2	6	3					3	5	6	10
(b) Investments in foreign securities			1	1		1	3	1	1	2	2	2	2
(c) Short-term loans from subsidiary and associated companies	6	2	8	7	10	3	7	4	3	3	4	1	1
Total selected assets	437	615	476	518	484	573	470	531	621	619	619	540	582
3. Short-term loans and notes payable:													
(a) Bank loans and overdrafts in Canadian currency	224	383	215	230	209	373	221	267	318	335	295	326	402
(b) Short-term loans from subsidiary and associated companies	6	9	5	6	7	11	8	7	9	10	7	6	12
(c) Other loans and notes, excluding buy-backs	153	185	235	266	201	184	196	229	240	243	300	207	183
Total selected liabilities	382	577	456	501	417	567	426	503	567	588	602	539	597
4. Total securities outstanding under buy-back agreements	70	50	91	131	110	112	114	188	107	201	189	236	178

¹ Net of short positions and excluding securities outstanding under buy-back agreements.

² Excluding investments in and loans and advances to subsidiary and associated companies.

CONTENT OF GROUPS

Trust Companies

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate, trust and agency funds and other financial activities permitted under the federal and provincial trust companies acts.

The balance sheet data shown for this group includes both company funds (shareholders' equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

Mortgage Loan Companies

This group consists of those companies which raise funds from the public (directly or through publicly owned parent companies) primarily for mortgage lending. It includes all companies incorporated under the Dominion Loan Companies Act, savings certificate companies and other institutional lenders engaged principally in mortgage lending. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail level. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages on the goods purchased. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both sales financing and loan activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies, it was decided to include both sales finance and consumer loan companies in one table.

Sales finance companies which are wholly-owned subsidiaries of merchandising and manufacturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies, and companies lending to home owners for home improvements. Insofar as possible, the companies in this group are the same as those covered in the DBS publication,

Credit Statistics. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in *Credit Statistics* and in this publication.

Mutual Funds

This group includes those firms which have their major assets invested in a portfolio of various types of securities and in which the public may purchase any desired number of shares at a price fixed in relationship to net asset value, and redeem any number of shares held at net asset value. Because the number of outstanding shares constantly changes with purchases and redemptions of shares by each individual investor, the companies in this group are also referred to as open-end funds.

Included in this survey are those companies whose shares are available to the public through the companies' own salesmen or agents, or through stock brokers, trust companies or other managers of funds. Excluded are those funds set up to operate a pension plan, special non-resident owned funds, funds which invest only in the shares of other mutual funds, investment clubs, and other investment companies the shares of which are not available to the general public.

Closed-end Funds

The main difference between this group and the mutual funds is the fact that shares of closed-end companies are not redeemable by the company at net asset value. Share capital is set up as in an ordinary limited corporation. Once the shares have been offered to the public, the number of outstanding shares remains constant. Shares of such corporations may be purchased only from existing holders and owners of such shares must find a buyer if they wish to sell their shares. Such companies are called closed-end funds to distinguish them from the mutual funds or open-end funds.

Closed-end funds have a common feature with mutual funds in that their major assets consist of investments in securities. Investment policies and objectives of many of the closed-end funds are also similar to those of the mutual funds. However, when an investment corporation exists primarily to gain control and provide management it is excluded from the totals and will be included in another group. Because of the various degrees between these two objectives — investment or control — and also because objectives often change, it is difficult to precisely define this group. We have, therefore, closely followed the group of closed-end funds found in the Financial Post Survey of Investment Funds. The user of these data is warned however, that reclassification into or out of this industry of few companies could change drastically the published totals.

Investment Dealers

This group includes firms which act as principals in the underwriting and trading of securities. Stock-brokers and, where possible, the brokerage business of investment dealers are excluded. Where investment dealers do not maintain separate accounts for their brokerage business, total operations of the firm are included but the effect on the data is believed to be small.

DEFINITION OF ITEMS

Noted below are items where special problems of interpretation may exist.

A. Trust Companies and Mortgage Loan Companies

Item 3—Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short-term securities such as United States treasury bills.

Item 11—Demand deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

Item 12—Term deposits, guaranteed investment certificates, instalment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

Item 21—General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

Item 30—Net payables and retained income

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained,

Investment dealers do not report all balance sheet items, and total reported assets therefore do not equal total reported liabilities. Shareholders' equity, certain types of receivables and minor asset and liability items are not reported. The omission of these receivables is the largest single cause of difference between total reported assets and total reported liabilities.

and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

B. Sales Finance and Consumer Loan Companies

Item 2—Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication, *Credit Statistics* contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in *Credit Statistics*. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

Item 11—Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from those parent companies. Since these loans are inter-company transactions they are eliminated when consolidated reports are filed. This item would therefore be larger if non-consolidated reports were received from all companies.

Item 13—Short-term loans and notes payable

Demand and short-term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either directly or through investment dealers, to corporations, governments, foreign buyers and persons with short-term funds to invest, and are one of the major money-market instruments.

Item 15—Dealers' credit balances

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily withholds part of the purchase price. This item represents the total amount so withheld.

Item 17 - Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

C. Mutual Funds and Closed-end Funds

Item 5 - Investment Portfolio

Investment in securities represents the major assets for these groups. There is a particular interest in the market value of the portfolio since the price of mutual fund shares depends directly on this value. The price of closed-end fund shares also has a close relationship to the market value of the portfolio. For this survey, therefore, the portfolio is shown at both cost price and market value.

Item 21 - Paid-in capital

Included in this item are all the contributions made by shareholders including share capital, capital or paid-in surplus, capital redemption reserves, etc

Item 24 - Unrealized appreciation

This item is the difference between the value of the portfolio at market price and its cost price.

D. Investment Dealers

Item 1 - Cash on hand and on deposit

Included in this item are demand and term deposits with banks and other institutions. Short term notes of chartered banks and guaranteed investment certificates are also included, as are foreign currency and swapped deposits.

Item 2 - Securities owned or managed by the firm

The major assets of investment dealers are various types of securities. Since the accounting practices of investment dealers often differ from the practices of other types of firms in respect to security accounts, dealers are requested to report their securities in the following manner:

- (1) Securities should be reported at book value.
- (2) Securities outstanding under buy-back agreements should be excluded. This avoids duplication, since the owner of the securities is requested to report them.

- (3) Securities held under sell-back agreements should be included. This follows the rule that the owner should report the securities.
- (4) Short positions should be deducted from long positions.
- (5) Securities sold on an "if, as and when" basis should be omitted.
- (6) Borrowed securities should not be included in reported inventory.
- (7) The accounting of security transactions may differ at any specific point in time, depending on which accounting basis is employed.
By using:

- (a) **Trade date** - securities are entered on the accounts on the date that a buy or sell agreement or commitment was made.
- (b) **Value date** - securities are entered on the accounts on the date that settlement of the transactions was due.
- (c) **Delivery date** - securities are entered on the accounts on the date that delivery of the securities took place.

Generally, value and delivery dates coincide. Since financial institutions usually use the delivered date for accounting purposes, investment dealers are requested to use delivery date as well for reporting inventories of securities to DBS in order to have the securities counted in the statistics.

Item 3 - Short term loans and notes payable

3(a) includes short term and day-to-day loans from chartered banks in Canadian currency. Loans from subsidiary and affiliated companies are reported in 3(b), and all other loans, excluding buy-backs, are reported in 3(c).

Item 4 - Securities outstanding under buy-back agreements

Investment dealers raise funds through buy-back (re-purchase) agreements with various financial institutions, non-financial corporations and government agencies. Dealers generally regard the transactions as loans, but since the other parties to this type of transaction treat the securities as owned, dealers have been requested to exclude buy-backs from borrowing and to exclude the underlying securities from inventory reported. The amount of securities outstanding under these buy-back agreements is reported in Item 4.

QUALITY AND COVERAGE OF THE ESTIMATES

As a result of full cooperation by the surveyed corporations and the relatively small number of companies in each of the published groups, coverage in terms of assets is very high for each of the groups in this publication. The estimates for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting

practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

Where available, the tables will carry figures for the thirteen most recent quarters. The figures are published in one million dollar amounts.

OTHER SOURCES OF FINANCIAL INFORMATION

Included among the more valuable sources of background information are:

Report of the Royal Commission on Banking and Finance, 1964

The Financing of Economic Activity in Canada, by Wm. C. Hood, for the Royal Commission on Canada's Economic Prospects

Additional financial statistics on the companies and industries included in this report are available in the following publications:

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual)

Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual)

Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue *Taxation Statistics* (annual)

Bank of Canada *Statistical Summary* (monthly)

Dominion Bureau of Statistics *Credit Statistics* (monthly)

Financial Post *Survey of Industrials* (annual)

Financial Post *Survey of Investment Funds* (annual)

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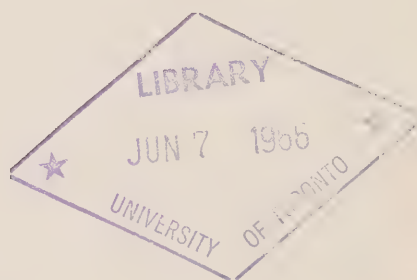
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BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions

FOURTH QUARTER 1965



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BUSINESS FINANCIAL STATISTICS

BALANCE SHEETS

Selected Financial Institutions

FOURTH QUARTER 1965

INTRODUCTION

The present publication contains the balance sheets for trust companies, mortgage loan companies, sales finance and consumer loan companies, mutual funds, closed-end funds, and investment dealers. As information becomes available, the published tables will be expanded to include insurance carriers, credit unions and caisses populaires, other companies in the finance, insurance and real estate industry, and non-financial corporations.

The quarterly survey was started on the recommendation of the Interdepartmental Committee on Financial Statistics, which represents several government departments and the Bank of Canada. The Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time. This corporation information will be combined with data from other parts of the economy to give a comprehensive picture of the financing of economic activity.

Although quarterly (or more frequent) data have been available for some time in areas such as banking, quarterly data for the groups in this report are new, and problems in interpreting the results may occur. For example, seasonal factors affect loans by sales finance companies, and short term commercial paper held by trust companies. Until more experience has been obtained so that deseasonalized totals can be published, each quarter's results should be related to several previous quarters. There will also be discontinuities caused by reorganisations, mergers, reclassification of companies into and out of the published industries, and other factors.

The published balance sheet material is designed to show estimates of the totals at the end of each quarter. It should be used with caution when changes from one quarter to another are being studied. At a later stage, as financial flows accounts are developed, the corrected quarterly changes will be published by industry.

This publication has been prepared in the Business Finance Division. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

NOTE

The tables in this report have been revised for previous periods to take into account the latest available information.

Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1962	1963				1964				1965			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	millions of dollars												
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	46	63	65	45	60	42	47	42	67	48	62	53	84
(ii) Cash in other institutions	1	2	4	4	3	4	3	3	6	4	3	3	6
(b) In foreign currency	7	8	8	4	8	3	9	6	13	1	2	6	8
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills	18	8	5	15	27	14	7	5	16	12	10	6	13
(ii) Other Government of Canada debt	281	284	302	288	291	338	325	343	369	377	376	370	375
(iii) Provincial government debt	136	145	164	160	154	170	166	159	168	195	204	185	193
(iv) Municipal government debt	94	105	109	115	114	128	133	129	139	147	144	135	125
(v) Short-term notes of finance and other companies	122	201	205	218	108	233	261	216	153	304	341	255	178
(vi) Corporation and institution bonds	140	156	172	188	196	203	203	213	218	216	250	256	242
(vii) Mortgage loans and sales agreements	845	900	968	1,039	1,103	1,184	1,263	1,351	1,449	1,535	1,682	1,830	1,912
(viii) Collateral loans	83	77	74	86	123	103	116	115	110	160	114	116	118
(b) Investments in Canadian preferred and common shares	63	75	67	66	65	67	70	66	67	69	78	76	74
(c) Investments in foreign securities	6	6	4	4	4	4	4	4	6	7	7	7	5
(d) Investments in subsidiary and associated companies	9	8	9	10	10	13	13	14	18	19	18	19	18
4. Real estate and equipment	31	32	32	34	36	39	40	41	43	42	43	44	47
5. Other assets	13	18	18	17	18	16	17	17	19	17	20	21	28
Total assets ¹	1,894	2,088	2,205	2,293	2,321	2,559	2,676	2,723	2,860	3,153	3,354	3,382	3,422
Liabilities													
11. Demand deposits and demand certificates (a) Chequable ²	} 610	381	406	432	451	446	468	487	513	522	576	559	558

¹ Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

¹ Breakdown between chequable and non-chequable accounts was not available prior to 1963.

TABLE 2. Mortgage Loan Companies
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1962	1963				1964				1965			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Assets	millions of dollars												
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	23	14	15	15	17	19	19	66	50	39	41	39	47
(ii) Cash in other institutions	5	3	3	3	3	6	12	9	13	8	8	5	7
(b) In foreign currency													
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills	2	2	4	1	3	3	12	7	3	8	5	11	6
(ii) Other Government of Canada debt	91	103	119	122	104	102	103	118	117	124	116	102	110
(iii) Provincial government debt	31	35	36	38	35	37	41	41	42	44	46	44	39
(iv) Municipal government debt	8	7	7	8	8	8	9	9	11	10	10	10	10
(v) Short-term notes of finance and other companies	4	17	7	4	4	6	6	11	8	12	4	5	3
(vi) Corporation and institution bonds	14	18	20	20	25	24	24	26	26	33	29	28	33
(vii) Mortgage loans and sales agreements	989	1,029	1,078	1,140	1,188	1,254	1,328	1,410	1,492	1,588	1,689	1,788	1,817
(viii) Collateral loans	18	15	12	12	13	12	10	12	13	10	10	13	19
(b) Investments in Canadian preferred and common shares	38	43	45	49	52	51	53	55	56	55	61	58	56
(c) Investments in foreign securities	6	11	7	4	4	14	7	4	4	4	4	4	4
(d) Investments in subsidiary and associated companies	36	40	41	41	43	47	45	49	50	206 ³	203 ³	200 ³	201 ³
4. Real estate and equipment	28	31	33	33	36	37	38	41	42	43	44	48	50
5. Other assets	7	9	8	8	8	13	13	11	10	12	18	15	15
Total assets¹	1,300	1,376	1,436	1,497	1,544	1,633	1,722	1,869	1,936	2,196	2,287	2,368	2,417
Liabilities													
11. Demand deposits and demand certificates (a) Chequable²	} 205	131	138	143	139	143	148	150	155	152	158	161	163
(b) Non-chequable ²		84	102	113	121	133	145	155	166	179	187	191	203
12. Term deposits, guaranteed investment certificates, instalment certificates and debentures	765	790	814	826	848	867	906	951	981	1,017	1,037	1,050	1,085
13. Bank loans:													
(a) Bank loans and overdrafts	14	18	19	21	22	27	42	19	25	27	44	61	59
(b) Other bank loans												3	3
14. Short-term loans and notes payable	23	23	28	36	36	38	52	108	108	119	137	150	123
16. Bonds, mortgages and other funded debt	101	119	122	133	147	164	164	194	201	220	233	248	280
17. Other liabilities	13	15	13	15	16	19	22	38	46	205³	205³	201³	206³

¹ Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

ends and other payables, and retained income.

² Breakdown between chequable and non-chequable accounts was not available prior to 1995.

³ These items are affected by changes in inter-company accounts of affiliated companies.

TABLE 3. Sales Finance and Consumer Loan Companies
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1962		1963				1964				1965			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q ^{4,5}	3Q ⁴	4Q ⁴	
	millions of dollars													
Assets														
1. Cash on hand and on deposit:														
(a) In Canadian dollars:														
(i) Cash and bank deposits	28	19	27	26	27	37	36	40	46	41	41	33	44	
(ii) Cash in other institutions	1	1	8	7	4	2	1	4	2	11	1	1	1	
(b) In foreign currency	1	8	8	7	8	8	13	14	14	14	14	24	12	
2. Accounts and notes receivable*	2,365	2,457	2,595	2,567	2,751	2,899	3,128	3,080	3,200	3,369	3,600	3,528	3,746	
3. Other current assets	4	4	4	4	5	6	7	8	10	7	7	7	12	
4. Investments and advances:														
(a) Investments in Canadian securities:														
(i) Short-term notes of finance and other companies	16	10	16	7	7	6	5	7	1	10	11	12	4	
(ii) Government of Canada treasury bills	17	20	14	14	5	6	11	13	3	11	17	12	1	
(iii) Other Government of Canada debt	42	34	29	6	18	13	27	29	9	16	9	17	16	
(iv) Other Canadian bonds and debentures	9	26	25	69	43	53	58	38	60	59	58	23	16	
(v) Other Canadian investments	6	10	12	16	15	17	18	10	5	15	20	27	29	
(b) Investments in Canadian preferred and common shares	10	13	11	12	13	13	27	23	14	14	16	16	15	
(c) Investments in foreign securities			1	1	4				1	1	1	1	2	
(d) Investments in subsidiary and associated companies	195	211	229	221	252	260	210	256	264	270	241	267	274	
5. Property, plant and equipment	16	17	18	18	18	22	31	31	32	33	34	36	38	
6. Other assets	18	17	17	17	20	21	25	25	27	32	33	34	29	
Total assets	2,726	2,849	3,005	2,986	3,191	3,365	3,598	3,579	3,686	3,901	4,102^{4,5}	4,037⁴	4,237⁴	
Liabilities														
11. Owning parent and associated companies	464	463	480	460	486	487	443	447	446	490	620	601	686	
12. Short-term bank loans:														
(a) Bank loans and overdrafts (Canadian dollars)	212	192	194	190	259	224	238	198	229	210	290	350	439	
(b) Other bank loans	35	19	27	24	40	44	42	52	71	95	25	65	86	
13. Short-term loans and notes payable:														
(a) Demand and short-term notes (Canadian dollars)	580	706	725	706	755	892	1,046	907	865	984	994	842	764	
(b) Demand and short-term notes (foreign currency)	54	48	64	70	62	108	135	200	213	177	176	184	149	
(c) Other short-term loans	2	2	2	2	2	2	3	1	1	1	2	2	13	
14. Accounts payable:														
(a) Income and other taxes payable	17	20	20	24	22	24	23	26	22	25	16	20	18	
(b) Other payables	30	32	44	34	38	48	54	65	65	73	87	65	100	
15. Other current liabilities:														
(a) Dealers' credit balances	43	43	45	47	45	43	46	48	46	44	47	50	48	
(b) Other current liabilities	4	4	4	5	5	6	6	6	6	6	7	5	5	
16. Long-term debt:														
(a) Debentures, bonds and notes (Canadian dollars) ¹	758	566	584	609	622	633	644	689	743	773	836	842	866	
(b) Debentures, bonds and notes (foreign currency) ¹	210	210	240	225	243	242	258	260	281	302	267	253	302	
(c) Mortgages and other long-term debt	2	3	3	4	4	2	6	6	6	6	9	9	8	
17. Other liabilities:														
(a) Unearned income and other deferred credits	159	159	174	179	183	183	204	213	217	218	228	239	245	
(b) Pensions, trust or earmarked funds		1	1	1	1	1	1	1	1	1	3	3	3	
(c) Interest of minority shareholders	1	1	1	1	1									
Shareholders' equity														
21. Paid-in capital	223	234	246	248	261	255	273	276	288	300	306	311	329	
22. Retained earnings	140	147	151	159	163	171	175	183	186	195	188	195	175	
Total liabilities and shareholders' equity	2,726	2,849	3,005	2,986	3,191	3,365	3,598	3,579	3,686	3,901	4,102^{4,5}	4,037⁴	4,237⁴	
* Footnote:														
(a) Specified receivables: ²														
Sales finance companies:														
Consumer goods	801	799	865	878	874	903	996	1,038	1,035	1,023	1,099	1,136	1,140	
Commercial and industrial goods	440	448	490	514	520	514	557	582	586	583	634	655	649	
Wholesale goods	240	305	279	174	301	418	413	251	268	383	423	278	441	
Totals	1,481	1,552	1,634	1,566	1,695	1,835	1,966	1,871	1,889	1,989	2,156	2,069	2,230	
Consumer loan companies:														
Instalment credit	52	51	53	55	55	47	49	52	54	57	63	65	67	
Cash loans	662	675	709	729	755	751	788	814	850	868	912	929	962	
Totals	714	726	762	784	810	798	837	866	904	925	975	994	1,029	
(b) Other receivables ³	208	218	241	261	288	311	373	392	457	508	527	526	553	
Total receivables	2,403	2,496	2,637	2,611	2,793	2,944	3,176	3,129	3,250	3,422	3,658	3,589	3,812	
Allowance for bad debts	- 38	- 39	- 42	- 44	- 42	- 45	- 48	- 49	- 50	- 53	- 58	- 61	- 66	
Total receivables (net)	2,365	2,457	2,595	2,567	2,751	2,899	3,128	3,080	3,200	3,369	3,600	3,528	3,746	

¹ Breakdown between Canadian and foreign debt was not available prior to 1963.

² Detail of "Specified Receivables" is taken from DBS publication, *Credit Statistics* (Catalogue No. 61-004).

³ "Other Receivables" includes capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities and sampling errors.

⁴ Includes outstanding liabilities in default of one company which went into receivership.

⁵ Reflects the reorganization of a company with its U.S. parent.

TABLE 4. Mutual Funds
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1963			1964				1965			
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
millions of dollars											
Assets											
1. Cash on hand and on deposit:											
(a) Canadian dollars:											
(i) Cash and bank deposits	10	11	9	10	16	17	18	24	22	24	30
(ii) Cash in other institutions	3	3	1	3	3	2	4	3	5	7	9
(b) Foreign currency	1	3	2	2	2	2	2	1	2	4	5
2. Short-term notes and bills:											
(a) Government of Canada treasury bills	4	4	4	4	4	4	2	3	3	1	1
(b) Canadian short-term notes of finance and other companies	4	7	5	3	10	39	41	48	33	38	32
(c) Foreign short-term notes	1				1	3	1	3	1	2	1
3. Interest and dividends due and accrued	5	5	6	6	7	6	7	7	8	9	9
4. Amount due from brokers and other current assets	3	6	5	8	5	10	7	14	12	9	14
5. Portfolio at cost (see also Table 4 A):											
(a) Investments in Canadian bonds:											
(i) Government of Canada debt	60	58	58	61	68	72	78	77	64	69	71
(ii) Provincial and municipal debt	29	28	31	31	29	34	47	57	54	49	51
(iii) Corporate bonds and debentures	36	38	40	46	43	44	48	59	63	62	63
(iv) Mortgages and agreements of sale	5	6	6	7	9	10	12	13	12	12	12
(v) Other Canadian investments	3	3	11	19	27	5	9	14	10	19	25
(b) Investments in Canadian shares:											
(i) Preferred shares	53	60	64	67	71	71	74	81	91	107	110
(ii) Common shares	500	507	518	535	558	587	635	687	744	754	783
(c) Investments in foreign securities:											
(i) Bonds, debentures, mortgages, etc.	2	2	10	10	6	4	5	5	4	4	4
(ii) Preferred and common shares	144	152	151	153	166	177	186	208	245	275	314
Total portfolio at cost	832	854	889	929	977	1,004	1,094	1,201	1,287	1,351	1,433
6. Property, buildings and equipment											
7. Other assets											
8. Total assets at cost	863	894	920	966	1,024	1,085	1,178	1,303	1,373	1,446	1,532
Liabilities											
11. Short-term loans:											
(a) Bank loans in Canadian currency	1	3	2	1	2	1	1	1	1	1	
(b) Other loans payable						1			1	1	
12. Accounts payable:											
(a) Income and other taxes payable	1	1	1	1	1	1	1	1	1	1	1
(b) Amount due brokers and other payables	5	11	6	6	9	11	10	27	20	12	9
13. Long-term debt	1	1	1	1	1	1	1	1	1	1	1
14. Other liabilities	1			1		1			1	1	
Shareholders' equity											
20. Paid-in capital	795	820	845	880	926	980	1,072	1,172	1,230	1,306	1,386
21. Reserves:											
(a) Investment reserves	5	5	6	7	6	7	7	8	9	11	11
(b) Other reserves									1	1	1
22. Retained earnings	54	53	60	69	78	83	85	92	110	112	123
Total liabilities and shareholders' equity	863	894	920	966	1,024	1,085	1,178	1,303	1,373	1,446	1,532

TABLE 4 A. Investment Portfolio at Market Value

	1963			1964				1965			
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
millions of dollars											
1. Portfolio:											
(a) Investments in Canadian bonds:											
(i) Government of Canada debt	61	58	58	60	68	72	78	78	64	69	70
(ii) Provincial and municipal debt	29	28	30	31	29	34	47	57	54	49	49
(iii) Corporate bonds and debentures	37	40	42	48	46	44	49	59	63	62	62
(iv) Mortgages and agreements of sale	5	6	7	7	9	10	12	13	12	13	13
(v) Other Canadian investments	3	4	11	20	28	5	9	14	10	19	25
(b) Investments in Canadian shares:											
(i) Preferred shares	55	62	67	70	75	75	78	84	92	106	108
(ii) Common shares	637	650	676	721	786	853	909	997	995	1,026	1,060
(c) Investments in foreign securities:											
(i) Bonds, debentures, mortgages, etc.	2	2	10	10	6	4	5	5	4	3	3
(ii) Preferred and common shares	169	178	183	194	210	226	236	265	287	347	415
Total portfolio at market	998	1,028	1,084	1,161	1,257	1,323	1,423	1,572	1,581	1,694	1,805
2. Total portfolio at cost (Item 5 - Table 4)	832	854	889	929	977	1,004	1,094	1,201	1,287	1,351	1,433
3. Unrealized appreciation (Item 1 minus 2)	166	174	195	232	280	319	329	371	294	343	372
TOTAL ASSETS AT MARKET PRICES (Item 8 - Table 4 plus item 3 - Table 4 A)	1,029	1,068	1,115	1,198	1,304	1,404	1,507	1,674	1,667	1,789	1,904

TABLE 5. Closed-end Funds
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1963			1964				1965			
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	millions of dollars										
Assets											
1. Cash on hand and on deposit:											
(a) Canadian dollars:											
(i) Cash and bank deposits	1	2	1	2	1	1	2	2	2	2	5
(ii) Cash in other institutions		1	1	1	1	3	2	3	2	2	3
(iii) Foreign currency											
2. Short-term notes and bills:											
(a) Government of Canada treasury bills	1								2	1	1
(b) Canadian short-term notes of finance and other companies	8	3	3	1	2	6	6	21	9	30	12
(c) Foreign short-term notes											
3. Interest and dividends due and accrued	1	1	1	1	1	1	1	1	1	1	1
4. Amount due from brokers and other current assets	1	1	2	1	2	2	2	2	1	1	1
5. Portfolio at cost (see also Table 5 A):											
(a) Investments in Canadian bonds:											
(i) Government of Canada debt	7	7	5	4	3	4	5	6	7	6	6
(ii) Provincial and municipal debt	1	1	1			1	1	1	1	1	1
(iii) Corporate bonds and debentures	15	16	13	14	11	8	10	9	10	10	9
(iv) Mortgages and agreements of sale									1		1
(v) Other Canadian investments									3	1	
(b) Investments in Canadian shares:											
(i) Preferred shares	37	44	29	34	34	33	35	35	33	34	36
(ii) Common shares ¹	280	308	324	334	336	349	369	385	368	372	400
(c) Investments in foreign securities:											
(i) Bonds, debentures, mortgages, etc.		1							1	1	1
(ii) Preferred and common shares ¹	21	21	23	25	26	26	26	28	31	36	37
Total portfolio at cost	361	398	395	411	410	421	446	464	455	461	491
6. Property, buildings and equipment											
7. Other assets	1	2	2	2	1	1	2	2	2	4	2
8. Total assets at cost	375	409	406	421	418	437	463	497	474	503	516
Liabilities											
11. Short-term loans:											
(a) Bank loans in Canadian currency	1	30	19	25	2	2	5	1	6	6	14
(b) Other loans payable	1	1	1	1	15	24	25	44	4	3	2
12. Accounts payable:											
(a) Income and other taxes payable											
(b) Amount due brokers and other payables	3	2	2	3	2	3	2	3	3	4	3
13. Long-term debt	32	32	32	32	32	32	33	31	31	30	30
14. Other liabilities	1	1	1	1	1	1	1	1	1	1	1
Shareholders' equity											
20. Paid-in capital	195	199	201	201	202	205	216	223	230	257	258
21. Reserves:											
(a) Investment reserves	96	97	102	109	114	117	123	135	136	136	143
(b) Other reserves	1										
22. Retained earnings	46	47	48	49	51	54	58	59	63	64	65
Total liabilities and shareholders' equity	375	409	406	421	418	437	463	497	474	503	516

TABLE 5 A. Investment Portfolio at Market Value

	1963			1964				1965			
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	millions of dollars										
1. Portfolio:											
(a) Investments in Canadian bonds:											
(i) Government of Canada debt	7	7	5	4	3	4	5	6	7	6	6
(ii) Provincial and municipal debt	1	1	1			1	1	1	1	1	1
(iii) Corporate bonds and debentures	18	20	17	18	14	8	10	10	10	10	9
(iv) Mortgages and agreements of sale											1
(v) Other Canadian investments									3	1	
(b) Investments in Canadian shares:											
(i) Preferred shares	46	56	37	43	45	47	49	51	48	45	46
(ii) Common shares ¹	455	487	515	551	619	652	686	730	682	678	693
(c) Investments in foreign securities:											
(i) Bonds, debentures, mortgages, etc.		1							1	1	1
(ii) Preferred and common shares ¹	28	28	30	33	33	34	33	36	36	47	55
Total portfolio at market	555	600	605	649	714	746	784	834	788	789	812
2. Total portfolio at cost (Item 5 - Table 5)	361	398	395	411	410	421	446	464	455	461	491
3. Unrealized appreciation (Item 1 minus 2)	194	202	210	238	304	325	338	370	333	328	321
TOTAL ASSETS AT MARKET PRICES (Item 8 - Table 5 plus item 3 - Table 5 A)	569	611	616	659	722	762	801	867	807	831	837

¹ Includes investments in and advances to subsidiary and affiliated companies.

TABLE 6. Investment Dealers
Quarterly Estimates of Selected Balance Sheet Items

	1962	1963				1964				1965			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	millions of dollars												
Selected assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	19	15	15	17	12	10	16	21	23	28	49	68	109
(ii) Cash in other institutions	6	12	9	10	8	7	7	2	55	35	2	14	3
(b) In foreign currency													
2. Securities owned or managed at book value:¹													
(a) Investments in Canadian securities:													
(i) Short-term notes of finance companies, commercial paper and bankers' acceptances	22	32	45	46	66	84	105	150	162	146	136	132	214
(ii) Government of Canada treasury bills	159	94	165	163	187	105	115	116	126	78	117	75	39
(iii) Other Government of Canada debt:													
(a) Term less than 3 years	202	175	93	102	149	99	120	160	60	84	78	82	30
(b) Term over 3 years	54	28	45	23	12	15	33	24	40	63	5	67	-6
(iv) Provincial government debt	68	38	42	32	46	37	44	56	49	69	41	49	27
(v) Municipal government debt	15	18	28	16	24	37	27	33	22	28	21	20	27
(vi) Corporation and institution bonds	47	34	48	46	52	42	38	38	49	50	53	45	53
(vii) Preferred and common shares ²	19	20	15	15	13	24	20	17	25	27	28	17	24
(viii) Other investments ²		2	6	3					3	5	6	10	11
(b) Investments in foreign securities		1	1		1	3	1	1	2	2	2	2	2
(c) Short-term loans from subsidiary and associated companies	2	8	7	10	3	7	4	3	3	4	1	1	2
Total selected assets	615	476	518	484	573	470	531	621	619	619	540	582	534
3. Short-term loans and notes payable:													
(a) Bank loans and overdrafts in Canadian currency	383	215	230	209	373	221	267	318	335	295	326	402	374
(b) Short-term loans from subsidiary and associated companies	9	5	6	7	11	8	7	9	10	7	6	12	13
(c) Other loans and notes, excluding buy-backs	185	235	266	201	184	196	229	240	243	300	207	183	152
Total selected liabilities	577	456	501	417	567	426	503	567	588	602	539	597	538
4. Total securities outstanding under buy-back agreements	50	91	131	110	112	114	188	107	201	189	236	178	97

¹ Net of short positions and excluding securities outstanding under buy-back agreements.

² Excluding investments in and loans and advances to subsidiary and associated companies.

CONTENT OF GROUPS

Trust Companies

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate, trust and agency funds and other financial activities permitted under the federal and provincial trust companies acts.

The balance sheet data shown for this group includes both company funds (shareholders' equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

Mortgage Loan Companies

This group consists of those companies which raise funds from the public (directly or through publicly owned parent companies) primarily for mortgage lending. It includes all companies incorporated under the Dominion Loan Companies Act, savings certificate companies and other institutional lenders engaged principally in mortgage lending. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail level. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages on the goods purchased. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both sales financing and loan activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies, it was decided to include both sales finance and consumer loan companies in one table.

Sales finance companies which are wholly-owned subsidiaries of merchandising and manufacturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies, and companies lending to home owners for home improvements. Insofar as possible, the companies in this group are the same as those covered in the DBS publication,

Credit Statistics. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in *Credit Statistics* and in this publication.

Mutual Funds

This group includes those firms which have their major assets invested in a portfolio of various types of securities and in which the public may purchase any desired number of shares at a price fixed in relationship to net asset value, and redeem any number of shares held at net asset value. Because the number of outstanding shares constantly changes with purchases and redemptions of shares by each individual investor, the companies in this group are also referred to as open-end funds.

Included in this survey are those companies whose shares are available to the public through the companies' own salesmen or agents, or through stock brokers, trust companies or other managers of funds. Excluded are those funds set up to operate a pension plan, special non-resident owned funds, funds which invest only in the shares of other mutual funds, investment clubs, and other investment companies the shares of which are not available to the general public.

Closed-end Funds

The main difference between this group and the mutual funds is the fact that shares of closed-end companies are not redeemable by the company at net asset value. Share capital is set up as in an ordinary limited corporation. Once the shares have been offered to the public, the number of outstanding shares remains constant. Shares of such corporations may be purchased only from existing holders and owners of such shares must find a buyer if they wish to sell their shares. Such companies are called closed-end funds to distinguish them from the mutual funds or open-end funds.

Closed-end funds have a common feature with mutual funds in that their major assets consist of investments in securities. Investment policies and objectives of many of the closed-end funds are also similar to those of the mutual funds. However, when an investment corporation exists primarily to gain control and provide management it is excluded from the totals and will be included in another group. Because of the various degrees between these two objectives—investment or control—and also because objectives often change, it is difficult to precisely define this group. We have, therefore, closely followed the group of closed-end funds found in the Financial Post Survey of Investment Funds. The user of these data is warned however, that reclassification into or out of this industry of few companies could change drastically the published totals.

Investment Dealers

This group includes firms which act as principals in the underwriting and trading of securities. Stock-brokers and, where possible, the brokerage business of investment dealers are excluded. Where investment dealers do not maintain separate accounts for their brokerage business, total operations of the firm are included but the effect on the data is believed to be small.

DEFINITION OF ITEMS

Noted below are items where special problems of interpretation may exist.

A. Trust Companies and Mortgage Loan Companies

Item 3—Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short-term securities such as United States treasury bills.

Item 11—Demand deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

Item 12—Term deposits, guaranteed investment certificates, instalment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

Item 21—General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

Item 30—Net payables and retained income

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained,

Investment dealers do not report all balance sheet items, and total reported assets therefore do not equal total reported liabilities. Shareholders' equity, certain types of receivables and minor asset and liability items are not reported. The omission of these receivables is the largest single cause of difference between total reported assets and total reported liabilities.

and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

B. Sales Finance and Consumer Loan Companies

Item 2—Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication, *Credit Statistics* contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in *Credit Statistics*. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

Item 11—Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from those parent companies. Since these loans are inter-company transactions they are eliminated when consolidated reports are filed. This item would therefore be larger if non-consolidated reports were received from all companies.

Item 13—Short-term loans and notes payable

Demand and short-term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either directly or through investment dealers, to corporations, governments, foreign buyers and persons with short-term funds to invest, and are one of the major money-market instruments.

Item 15—Dealers' credit balances

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily withholds part of the purchase price. This item represents the total amount so withheld.

Item 17 - Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

C. Mutual Funds and Closed-end Funds

Item 5 - Investment Portfolio

Investment in securities represents the major assets for these groups. There is a particular interest in the market value of the portfolio since the price of mutual fund shares depends directly on this value. The price of closed-end fund shares also has a close relationship to the market value of the portfolio. For this survey, therefore, the portfolio is shown at both cost price and market value.

Item 21 - Paid-in capital

Included in this item are all the contributions made by shareholders including share capital, capital or paid-in surplus, capital redemption reserves, etc.

Item 24 - Unrealized appreciation

This item is the difference between the value of the portfolio at market price and its cost price.

D. Investment Dealers

Item 1 - Cash on hand and on deposit

Included in this item are demand and term deposits with banks and other institutions. Short term notes of chartered banks and guaranteed investment certificates are also included, as are foreign currency and swapped deposits.

Item 2 - Securities owned or managed by the firm

The major assets of investment dealers are various types of securities. Since the accounting practices of investment dealers often differ from the practices of other types of firms in respect to security accounts, dealers are requested to report their securities in the following manner:

- (1) Securities should be reported at book value.
- (2) Securities outstanding under buy-back agreements should be excluded. This avoids duplication, since the owner of the securities is requested to report them.

- (3) Securities held under sell-back agreements should be included. This follows the rule that the owner should report the securities.
- (4) Short positions should be deducted from long positions.
- (5) Securities sold on an "if, as and when" basis should be omitted.
- (6) Borrowed securities should not be included in reported inventory.
- (7) The accounting of security transactions may differ at any specific point in time, depending on which accounting basis is employed.
By using:

- (a) **Trade date** - securities are entered on the accounts on the date that a buy or sell agreement or commitment was made.
- (b) **Value date** - securities are entered on the accounts on the date that settlement of the transactions was due.
- (c) **Delivery date** - securities are entered on the accounts on the date that delivery of the securities took place.

Generally, value and delivery dates coincide. Since financial institutions usually use the delivered date for accounting purposes, investment dealers are requested to use delivery date as well for reporting inventories of securities to DBS in order to have the securities counted in the statistics.

Item 3 - Short term loans and notes payable

3(a) includes short term and day-to-day loans from chartered banks in Canadian currency. Loans from subsidiary and affiliated companies are reported in 3(b), and all other loans, excluding buy-backs, are reported in 3(c).

Item 4 - Securities outstanding under buy-back agreements

Investment dealers raise funds through buy-back (re-purchase) agreements with various financial institutions, non-financial corporations and government agencies. Dealers generally regard the transactions as loans, but since the other parties to this type of transaction treat the securities as owned, dealers have been requested to exclude buy-backs from borrowing and to exclude the underlying securities from inventory reported. The amount of securities outstanding under these buy-back agreements is reported in Item 4.

QUALITY AND COVERAGE OF THE ESTIMATES

As a result of full cooperation by the surveyed corporations and the relatively small number of companies in each of the published groups, coverage in terms of assets is very high for each of the groups in this publication. The estimates for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting

practices of companies. A complete description of the procedures of estimation used will be given in a later publication

Where available, the tables will carry figures for the thirteen most recent quarters. The figures are published in one million dollar amounts.

OTHER SOURCES OF FINANCIAL INFORMATION

Included among the more valuable sources of background information are:

Report of the Royal Commission on Banking and Finance, 1964

The Financing of Economic Activity in Canada, by Wm. C. Hood, for the Royal Commission on Canada's Economic Prospects

Additional financial statistics on the companies and industries included in this report are available in the following publications:

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual)

Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual)

Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue *Taxation Statistics* (annual)

Bank of Canada *Statistical Summary* (monthly)
Dominion Bureau of Statistics *Credit Statistics* (monthly)

Financial Post *Survey of Industrials* (annual)

Financial Post *Survey of Investment Funds* (annual)

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